

Item 1 - Cover Page

BROCHURE

**FORM ADV
PART 2A**

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This brochure (“Brochure”) provides information about the qualifications and business practices of Tekne Capital Management, LLC (“Tekne”). If you have any questions regarding the contents of this Brochure, please contact Tekne at (212) 300-9530 or by electronic mail at IR@teknecap.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. Tekne is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about Tekne is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Brochure has been updated as part of Tekne's annual Form ADV amendment. It amends and supersedes our Brochure that was filed in March 2013. Other than Tekne's current asset under management under Item 4 of the Brochure and a new class of Interests and Shares for the Feeder Funds, there has not been any material change since the previous filing.

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Item 4 - Advisory Business

Tekne Capital Management, LLC ("Tekne"), a Delaware limited liability company, acts as the investment adviser to certain hedge funds (the "Funds"). Specifically, the Funds include a Delaware limited partnership (the "U.S. Feeder") and a Cayman Islands exempted company (the "Offshore Feeder") and together with the U.S. Feeder, the "Feeder Funds"), each of which invests all or substantially all of their available assets in a single master fund organized as a Cayman Islands limited partnership (the "Master Fund"). Tekne provides investment advice to these Funds on a discretionary basis as further described in the offering memoranda of the Feeder Funds.

Tekne may advise additional funds in the future, and may also advise separately managed accounts on behalf of high net worth individuals and institutional investors pursuant to separately negotiated investment advisory agreements. This advice may be provided on a discretionary or non-discretionary basis on terms as agreed between Tekne and the applicable client. As of the date of this Brochure, no such managed account arrangements exist.

Tekne provides investment advisory services in accordance with the investment guidelines and restrictions of each client. Tekne does not provide investment advice to the individual limited partners or investors in the Funds.

Tekne does not hold itself out as specializing in any particular type of advisory services, such as financial planning, quantitative analysis or market timing services, nor does Tekne limit its advice to any particular type of investment.

As of December 31, 2013, Tekne has \$364,375,981 of assets under management.

Item 5 - Fees and Compensation

For its services to the Funds, Tekne generally receives a quarterly management fee (the "Management Fee"), payable in advance, in an amount equal to 0.50% (2.0% *per annum*) or 0.375% (1.5% *per annum*) of the net assets of the Master Fund as of the first day of the calendar quarter attributable to each investor in a Feeder Fund. The applicable percentage depends on whether the investors hold Class A Interests/Shares or Class B Interests/Shares. Tekne may waive, reduce or calculate differently the Management Fee applicable to a given investor or to any class or series of shares or interests in a Feeder Fund. The Management Fee is paid directly from the assets of the Master Fund.

Tekne Partners GP LLC, an affiliate of Tekne that acts as the general partner of the U.S. Feeder and the Master Fund (the "Fund GP"), generally receives an annual performance-based allocation from the Master Fund of 20% or 17.5% of the cumulative net profits, if any, allocated to each investor in the Feeder Funds during the calculation period, subject to a customary high water mark. The applicable percentage depends on whether the investors hold Class A Interests/Shares or Class B Interests/Shares. The performance allocation is made as of the last day of each year and at such other times as are specified in the Fund offering documents. The Fund GP may reduce, waive or calculate differently the performance allocation applicable to a given investor or to any class or series of shares or interests in a Feeder Fund.

Tekne, its affiliates and/or one or more Funds may enter into agreements (“Side Letters”) with certain investors that will result in different terms of an investment in the applicable Fund than the terms applicable to other investors. As a result of such Side Letters, certain investors may receive additional rights that other investors will not necessarily receive. Except as required by law, in general, Tekne will not be required to notify other investors of any such Side Letters or any of the provisions of the Side Letters. Tekne, its affiliates and the Funds will not be required to offer such additional and/or different rights and/or terms to any or all of the other investors.

The foregoing description of compensation to be received by Tekne from its client Funds is intended to be general in nature. The specific terms and other conditions of the Management Fee and the performance allocation to which investors in the Funds will be subject are set forth in the relevant offering memoranda and other constituent documents of the Funds. All performance-based compensation payable to Tekne and/or its affiliates will be effected consistent with the requirements of Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and Rule 205-3 thereunder.

Fund assets may be invested in money market funds or other mutual funds managed by independent managers, including funds at custodian banks, broker dealers or other custodians, and may be subject to management fees charged by the manager of these funds which are in addition to the Management Fee charged by Tekne.

The Master Fund bears all of its own organizational, offering and operating expenses and those of the Feeder Funds. Such expenses include brokerage and transaction costs associated with the investment and trading of the Funds’ assets. See Item 12 for important disclosures regarding brokerage. As a matter of fairness, expenses that are incurred on behalf of a given Feeder Fund may, in the sole discretion of the Fund GP, be allocated solely to that Feeder Fund.

To the extent that expenses to be borne by the Master Fund or a Feeder Fund are paid or advanced by Tekne or its affiliate, the Master Fund will reimburse such party for such expenses.

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

As described in Item 5, the Fund GP receives a performance allocation from the Master Fund. Tekne and/or its affiliates may enter into other performance compensation arrangements with other clients from time to time. Such arrangements will be structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Performance-based compensation arrangements may create an incentive for Tekne to recommend investments that may be riskier or more speculative than those which would be recommended under a different compensation arrangement. Such compensation arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Tekne requires that all investment opportunities be allocated among clients on a fair and equitable basis and generally prohibits differing compensation arrangements from influencing the allocation of investment opportunities among clients.

Item 7 - Types of Clients

As described in Item 4, Tekne initially offers its services to the Funds. The minimum stated investment amount in a Feeder Fund is U.S. \$1,000,000. A Feeder Fund may accept a lesser amount, subject to an absolute minimum of \$100,000 in the case of Offshore Feeder.

Tekne may advise additional funds in the future, and may also advise separately managed accounts on behalf of high net worth individuals and institutional investors pursuant to separately negotiated investment advisory agreements.

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

Investing in securities involves risk of loss that clients and investors in the Funds should be prepared to bear.

Objective

The investment objective of Tekne on behalf of the Funds is to maximize total returns by opportunistically employing a variety of strategies across a potential variety of markets, including equity, commodity, currency and fixed income markets. Tekne's investment decisions with respect to the Funds do not rigidly adhere to any particular investment formula or system, but rather rely on the knowledge, judgment and trading acumen of Tekne, and in particular Mr. Kothari as the principal portfolio manager of the Funds. Tekne has extensive flexibility in the securities, assets and other instruments in which it may invest and the investment techniques it may use to achieve its investment objective.

Investment Strategies

The Master Fund is managed opportunistically across all markets (including emerging markets) and may employ multiple investment strategies at any given time. The Master Fund's investment strategies or mix of strategies may change without notice. The Master Fund is not subject to any limitations on its net exposure or on the amount of its gross assets that may be invested in any strategy, market or security or exposed to the credit risk of any counterparty, nor is there any requirement to diversify the Master Fund's investments across multiple strategies or investments. It is expected that the Master Fund may hold concentrated long or short positions in one or more issuers from time to time.

Tekne may, from time to time in its sole discretion, refine or change its investment methods and strategies (including technical trading factors or analyses, securities and commodity interests traded, and money management principles used) without prior notice to or approval by investors.

The Master Fund may take long and short positions. The Master Fund and/or a Feeder Fund itself may periodically maintain a substantial portion of its assets in short-term instruments, including money market instruments and highly rated government securities. The Master Fund may utilize leverage to finance the purchase of investments, to the fullest extent allowable by law, when Tekne deems it appropriate to do so. The Master Fund may invest in derivatives, including without limitation forwards, futures, options, indices, baskets and swaps, including credit default swaps.

Material Risks

The list of risk factors below is not a complete enumeration or explanation of the risks involved in an investment in the Feeder Funds or any other product, fund or account managed by Tekne. Investors or prospective investors in a Feeder Fund or other investment vehicle managed by Tekne should refer to the relevant offering documents for a more complete description of risks associated with a particular fund.

Investment Risks

Risks of Investments in Securities Generally. All securities investments risk the loss of capital. No guarantee or representation is made that the Master Fund's investment program will be successful. The Master Fund's investment program may involve, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Master Fund's activities. Certain investment techniques of the Master Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Master Fund may be subject. In addition, the Master Fund's investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Master Fund may invest its assets.

The Master Fund's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

General Economic and Market Conditions. The success of the Master Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Master Fund's investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

Equity Securities and Equity-Related Instruments. The Master Fund may invest long and short in equities and equity-related instruments under its investment program. Stocks, options and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts (including shares issued by trusts registered as

investment companies under the Investment Company Act), partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that the Master Fund holds directly or indirectly may decline over short or extended periods of time. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. The volatility of equity securities means that the value of an investment in the Master Fund may increase or decrease significantly over relatively short periods.

Fixed Income Securities. The Master Fund will invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a government or one of its agencies or instrumentalities; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Master Fund may invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

Low Rated or Unrated Debt Obligations. The Master Fund may invest in debt securities that have a low rating or are unrated. Debt securities held the Master Fund may have a credit quality rated below investment grade by internationally recognized credit rating organizations. The issuers of such securities may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal payments. Non-investment grade securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher-grade issuers, but typically involve greater risk. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. In addition, macro-economic events such as a recession could severely disrupt the market for these securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Convertible Securities. The Master Fund may invest in convertible securities including convertible bonds and convertible preferred stock. Because of their embedded equity component, the value of convertible securities is sensitive to changes in equity volatility and price. A decrease in equity volatility and price could result in a loss for the Master Fund. The debt characteristic of convertible securities also exposes the Master Fund to changes in interest rates and credit spreads. The value of the convertible securities may fall when interest rates rise or credit spreads widen. The Master Fund's exposure to these risks may be unhedged or only partially hedged.

Foreign and Emerging Market Investments; Currency. Investments in issuers of certain foreign and emerging market countries, either directly or through the use of derivative instruments, and investments denominated or traded in currencies other than U.S. dollars involve certain considerations not typically associated with investments in issuers domiciled in the U.S. and other developed countries or securities denominated or traded in the applicable class currency. These considerations include: (a) the potential effect of foreign exchange controls (including suspension of the ability to transfer currency from a given country upon realization of Master Fund investments) and changes in the rate of exchange between U.S. dollars and other currencies in which the Master Fund's investments are denominated, which changes will affect the value of the Master Fund (to the extent unhedged); (b) the effect of local market conditions on the availability of public information, the liquidity of securities traded on local exchanges and transaction costs and administrative practices of local markets; and (c) the fact that the Master Fund's assets will be held in accounts by prime broker(s), or pledged to creditors of the Master Fund, in jurisdictions outside of the U.S. where there can be no assurance that judgments obtained in U.S. courts will be enforceable in any of those jurisdictions.

With respect to certain countries, there is a possibility of expropriation and nationalization, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, potential difficulty of repatriating funds or other assets of the Master Fund, general social, political or economic instability or adverse diplomatic developments any of which could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

There may be less publicly available information about issuers in certain foreign and emerging market countries, where such issuers may not be subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements comparable to those applicable to issuers domiciled in the U.S. or other countries with more developed regulatory frameworks. The economies of certain of these countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have high levels of debt or inflation. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. and other developed markets. Where Master Fund assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and by potentially adverse developments within those markets or sectors. In addition, investments of the Master Fund may not be listed on any stock market or may be offered solely through foreign stock markets.

Diversification Risk. The Master Fund may from time to time have significant concentration and therefore excess exposure to a particular issuer, security, industry sector or geographic region. In addition, the Master Fund may hold substantial positions in a relatively small number of investments. Limitations as to strategy, amount of capital or analytical resources can lead to significant concentration among portfolio securities. Concentration of investments in a limited number of issuers or securities, industries or industry groups, or countries or regions can increase investment risk and portfolio volatility. As a result of this lack of diversification, a significant loss in any one position may have a material adverse effect on the Master Funds' performance.

Short Sales. A short sale involves the sale of a security that the Master Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Master Fund must borrow the security, and the Master Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Master Fund. In some cases, the lender may rescind the loan of securities, and cause the borrower to repurchase shares at inflated prices, resulting in a loss. When the Master Fund makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. The extent to which the Master Fund will engage in short sales depends upon Tekne's investment strategy and perception of market direction.

Restrictions on Short Selling. Many regulators, including the SEC and the U.K. Financial Services Authority, have imposed restrictions and reporting requirements on short selling. The restrictions and reporting requirements may prevent the Master Fund from successfully implementing its investment strategy and provide transparency to the Master Fund's competitors as to its positions, thereby having a detrimental impact on the Master Fund's returns. The Master Fund may seek to mitigate these risks by effecting some or all of its short positions through swaps. See "Certain Risk Factors-Swap Transactions" below for particular risks related to swap transactions, including counterparty risk.

Undervalued Securities. One of the objectives of the Master Fund is to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. Investments in undervalued securities involve a high degree of financial risk and can result in substantial losses. Returns generated from the Master Fund's investments may not adequately compensate for the business and financial risks assumed.

The Master Fund may make certain speculative investments in securities which Tekne believes to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Master Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Master Fund's capital would be committed to the securities purchased, thus possibly preventing the Master Fund from investing in other opportunities. In addition, the Master Fund may finance such purchases with borrowed funds and thus would have to pay interest on such funds during such waiting period.

Leverage; Interest Rates; Margin. Tekne may borrow funds from brokerage firms and banks on behalf of the Master Fund in order to be able to increase the amount of capital available for investments. In addition, the Master Fund may in effect borrow funds through entering into repurchase agreements, and may "leverage" its investment return with futures, options, swaps, forwards and other derivative instruments. Borrowings (and in some cases guarantees of performance of the Master Fund's obligations) will usually be from (or, in the case of guarantees, by) securities brokers and dealers and will typically be secured by the Master

Fund's securities and other assets. The amount of borrowings which the Master Fund may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates, generally, and the rates at which the Master Fund can borrow, in particular, will affect the performance results of the Master Fund.

In general, the Master Fund's use of short-term margin borrowings will result in certain additional risks to the Master Fund. If the Master Fund engages in leveraged investments, the Master Fund's capital generally will increase or decrease at a greater rate than would otherwise be the case. Any income or gains earned from a leveraged investment in excess of the costs associated with leveraging (such as interest and other administrative expenses to borrow money) will cause the value of the Master Fund's capital to rise more quickly than would otherwise be the case. Conversely, if the income or gains earned from a leveraged investment fail to cover the costs associated with leveraging, the value of the Master Fund's capital will fall more quickly than would otherwise be the case. Leverage is speculative and substantially increases the risk of investing in the Master Fund.

Should the securities pledged to brokers to secure the Master Fund's securities margin accounts decline in value, the Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Master Fund's assets, the Master Fund might not be able to liquidate assets quickly enough to meet securities margin calls.

When the Master Fund purchases an option on a security in the United States, there is no margin requirement because the option premium is paid for in full. The premiums for certain securities options traded on foreign exchanges may be paid for on margin.

Whether any margin deposit will be required for over-the-counter options will depend on the credit determinations and agreement of the parties to the transaction.

Availability of Credit. The Master Fund may borrow money or otherwise incur indebtedness as part of its investment program. There can be no assurance that the Master Fund will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that will provide financing to the Master Fund can apply essentially discretionary margin, "haircuts", financing and security and collateral valuation policies. Changes by banks and dealers in one or more of these policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances, government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other banks and dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel the Master Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a significant loss of the Master Fund's equity.

Hedging Transactions. The Master Fund may utilize financial instruments such as futures, options, swaps, forward contracts and other derivatives both for investment purposes and

risk management purposes in order to: (i) hedge against fluctuations in the relative values of the Master Fund's portfolio investments resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of the Master Fund's investments; (iii) facilitate the sale of any such investments; (iv) establish a position as a temporary substitute for other securities; (v) enhance or preserve returns, spreads or gains in any of the Master Fund's investments; (vi) hedge the interest rate or currency exchange rate on any of the Master Fund's assets or liabilities; or (vii) protect against any increase or decrease in the price of any securities the Master Fund anticipates purchasing or selling short at a later date. Hedging against a decline in the value of a portfolio investment does not eliminate fluctuations in the values of portfolio investments or prevent losses if the values of such investments decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio investments' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio investments should increase. In addition, various investments within the strategy may involve hedges that are insufficient to offset anticipated market price changes. Tekne may utilize hedges, or choose not to hedge, based on judgments about economic or other factors that prove to be incorrect.

Currency Risk. The Master Fund may invest a portion of its assets in equity securities and other investments denominated in currencies other than the U.S. dollar and in other financial instruments the prices of which are determined with reference to currencies other than the U.S. dollar. The Master Fund, however, will value its securities and other assets in U.S. dollars. To the extent unhedged, the value of the Master Fund's non-dollar denominated assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Master Fund's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Master Fund's investments are denominated will reduce the effect of increases and magnify the effect of decreases in the prices of the Master Fund's securities and other investments in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Master Fund's non-U.S. dollar denominated securities or other investments.

Tekne intends to use forward currency contracts and options to hedge against currency fluctuations when deemed appropriate and subject to the availability of appropriate hedging instruments at acceptable prices, but there can be no assurance that such hedging transactions when undertaken will be effective.

The success of the Master Fund's currency hedging transactions is subject to Tekne's ability to match the fluctuating value of the assets denominated in various currencies with appropriate forward contracts and other currency instruments. Therefore, while the Master Fund may enter into such transactions to reduce currency exchange risks, if the currency transactions are incorrectly matched, such transactions could have an adverse effect on the performance of the Master Fund. Furthermore, perfect hedges do not exist, and the Master Fund will seek to hedge only to the extent practicable. The successful utilization of hedging transactions requires skills complementary to those needed in the selection of the Master Fund's portfolio holdings. There can be no assurance that such hedging transactions will be effective.

Derivative Instruments in General. In managing the Master Fund, Tekne may use various derivative instruments, including options, futures, forward contracts, swaps and other derivatives, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

- *Tracking Risk* — When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Master Fund from achieving the intended hedging effect or expose the Master Fund to the risk of loss.

- *Liquidity Risk* — Derivative instruments, especially when traded in large amounts by a small number of counterparties, may not be liquid in all circumstances, so that in volatile markets the Master Fund may not be able to close out a position without incurring a loss.

- *Leverage Risk* — Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Master Fund and could cause the Fund's net asset value to be subject to wider fluctuations than would be the case if the Master Fund did not use the leverage feature in derivative instruments.

- *Hedging Risk* — When a derivative is used as a hedge against an opposite position that the Master Fund also holds, any loss generated by the derivative should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains.

- *Investment Risk* — When the Master Fund uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. The Master Fund is therefore directly exposed to the risks of that derivative. Gains or losses from derivative investments may be substantially greater than the derivative's original cost.

- *Availability Risk* — Derivatives may not be available to the Master Fund upon acceptable terms. As a result, the Master Fund may be unable to use derivatives for hedging or other purposes.

- *Credit Risk* — When the Master Fund uses derivatives, it is subject to the risk that the other party to the agreement will not be able to perform.

Over-the-Counter Trading. Derivative instruments that may be purchased or sold by the Master Fund may include instruments not traded on an exchange. Over-the-counter options, unlike exchange-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Master Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative

instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Highly Volatile Markets. The prices of derivative instruments, including options prices, are highly volatile. Price movements of forward contracts and other derivative contracts in which the Master Fund's assets may be invested are 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. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Master Fund also is subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses.

Commodity Futures. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Moreover, commodity futures positions are marked to the market each day and variation margin payments must be paid to or by the Master Fund. Commodity futures trading may also be illiquid, and certain commodity exchanges do not permit trading in particular commodities at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits which conditions have in the past sometimes lasted for several days with respect to certain contracts the Master Fund could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. In addition, the U.S. Commodity Futures Trading Commission (the "CFTC") and various exchanges impose speculative position limits on the number of positions that the Master Fund may hold or control in particular commodities.

Use of Options. The Master Fund may buy or sell (write) both call options and put options, and when it writes options it may do so on a "covered"¹ or an "uncovered" basis. The Master Fund's options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Master Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading (without taking into account other positions or transactions the Master Fund may enter into) can be described as follows:

¹ A call option is "covered" when the writer owns securities of the class and amount of those as to which the call options applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount.

When the Master Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, would result in a total loss of the Master Fund's investment in the option (including commissions). The Master Fund could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (*e.g.*, by buying the securities or buying options on them) on securities underlying put options.

When the Master Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. This risk is theoretically unlimited unless the option is "covered." If it is covered, an increase in the market price of the security above the exercise price would cause the Master Fund to lose the opportunity for gain on the underlying security assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Master Fund suffered as a result of owning the security.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security's price below the exercise price would cause the Master Fund to lose some or all of the opportunity for profit on the "covering" short position assuming the Master Fund sold short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss the Master Fund might suffer in closing out its short position.

Stock Index Options. The Master Fund may also purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the Master Fund's portfolio correlates with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Master Fund realizes gains or losses from the purchase or writing of options on indices depends upon movements in the level of prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Master Fund of options on stock indices will be subject to Tekne's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments.

Swap Transactions. The Master Fund may engage in all types of swap transactions, including, but not limited to, equity, currency, interest rate and credit default swaps. An equity swap is an agreement to exchange streams of payments computed by reference to a notional amount based on the performance of a basket of stocks or a single stock. Currency swaps involve the exchange of cash flows on a notional amount of two or more currencies based

on their relative future values. Interest rate swaps involve an exchange of interest payments on a specific notional principal amount and often involve exchanging a fixed amount per payment period for a payment that is not fixed (the floating side of the swap would usually be linked to another interest rate such as LIBOR). A credit default swap is a specific kind of counterparty agreement which allows the transfer of third party credit risk from one party to the other whereby if certain prescribed events occur, the counterparty agrees to make certain payments to the other party based on the market value of such third party's security and/or debt obligations in exchange for regular periodic payments from the other party. The Master Fund may use these transactions for speculative purposes, such as to obtain the price performance of a security without actually purchasing the security in circumstances where, for example, the subject security is illiquid, or is unavailable for direct investment or available only on less attractive terms.

Unlike options on futures contracts and commodities, swap contracts are not currently traded or cleared by an exchange or clearinghouse. While regulations are pending that will require certain swaps to be traded on an exchange, currently the Master Fund will be subject to the risk of counterparty default on its swaps. Since swaps do not generally involve the delivery of underlying assets or principal, any loss would likely be limited to the net amount of payments required by contract. In some swap transactions, the counterparty may require the Master Fund to deposit collateral to support its obligation under the swap agreement. If the counterparty to the swap defaults, the Master Fund would lose the net amount of payments that it is contractually entitled to receive, as well as any collateral deposits made with the counterparty.

Cash and Forward Trading. The Master Fund may trade cash commodities and forward contracts. These contracts, unlike options on futures, are not regulated by the CFTC.

These transactions are not exchange-traded, so no clearinghouse or exchange stands ready to meet the obligations of the contract. Thus, the Master Fund faces the risk that its counterparties may not perform their obligations. This risk may cause some or all of the Master Fund's gains to be lost. At times, certain market makers have refused to quote prices for cash commodities or forward contracts, or have quoted prices with an unusually wide spread between the price they are prepared to buy and sell. If this occurs, Tekne may be unable to effectively use its cash and forward trading programs, and the Master Fund could experience significant losses.

Repurchase and Reverse Repurchase Agreements. The Master Fund may engage in repurchase and reverse repurchase agreements as part of its investment and cash management procedures. In the case of default by the transferee of a security in a reverse repurchase agreement, the Master Fund as transferor runs the risk that the transferee may not deliver the security when required. In the event of the bankruptcy or other default of a transferor of a security in a repurchase agreement, the Master Fund as transferee could experience delays in liquidating the underlying security and losses, including:

- (i) a possible decline in the value of the collateral during the period while the Master Fund seeks to enforce its rights thereto;
- (ii) possible subnormal levels of income and lack of access to income during this period; and

(iii) expenses of enforcing its rights.

Off-Balance Sheet Risk. The Master Fund may invest in financial instruments with off-balance sheet risk. These instruments include forward contracts, futures, swaps and securities and options contracts sold short. An off-balance sheet risk is associated with a financial instrument if the instrument exposes the investor to an accounting and economic loss in excess of the investor's recognized carrying value in the financial instrument (if any); or the ultimate liability associated with the financial instrument has the potential to exceed the amount the investor recognizes as a liability in its statements of assets and liabilities.

Position Limits. "Position limits" imposed by various regulators may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Master Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by Tekne or its affiliates may be aggregated. If at any time positions held by the Master Fund were to exceed applicable position limits, Tekne would be required to liquidate positions to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Master Fund might have to forego or modify certain of its contemplated trades.

Counterparty Creditworthiness. The Master Fund is subject to the risk of the inability of any counterparty (including a Prime Broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Master Fund will deliver collateral to its trading counterparties under the terms of its ISDA Master Agreements and other trading master agreements, either by posting initial margin or on a daily mark-to-market basis. Circumstances may arise where a counterparty may be over-collateralized and/or the Master Fund may from time to time have uncollateralized mark-to-market exposure to a counterparty in relation to its rights to receive securities and cash. In both circumstances the Master Fund will be exposed to the creditworthiness of any such counterparty and, in the event of the insolvency of a trading counterparty, the Master Fund will rank as an unsecured creditor in relation to amounts equivalent to any such over-collateralization and any uncollateralized exposure to such trading counterparty. In such circumstances it is likely that the Master Fund will not be able to recover any such amount in full, or at all. See also "Certain Risk Factors-Over-the-Counter Trading," "Swap Transactions" and "Prime Broker Insolvency Risk."

Competition; Availability of Investments. Certain markets and strategies in which the Master Fund may invest are extremely competitive for attractive investment opportunities. There can be no assurance that the Master Fund will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to pursue the same strategies pursued by the Master Fund, which may result in increased competition to the Master Fund in obtaining suitable investments or an increase in the number of investors that are attempting to purchase or sell similar positions simultaneously.

Execution of Orders. The Master Fund's investment strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by Tekne. The Master Fund's investment orders may not be executed in a timely and efficient manner because of various circumstances, including, without limitation, systems failures or human error attributable to Tekne, brokers, agents or other service providers. In such event, the Master Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Master Fund might not be able to make such adjustment. As a result, the Master Fund would not be able to achieve the market position selected by Tekne, and might incur a loss in liquidating its position. In addition, the Master Fund may rely on electronic execution systems, and such systems may be subject to failure, causing the interruption of investment orders made on behalf of the Master Fund.

New Issues. Tekne may also purchase so-called "new issue" securities for client accounts. The risk of loss associated with securities purchased in initial public offerings is greater than those in connection with general securities trading. While Tekne believes that "new issues" offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. Tekne will have access to new issue markets only if it is able to generate relationships with broker-dealers. Also, if Tekne is not correct in its assessment of which new issues will appreciate, portfolios will suffer losses. If Tekne is unable to liquidate such positions in a timely manner, portfolios will be exposed to further losses which could be considerable.

Fund Risks

An investment in a Feeder Fund involves risks above and beyond the risks associated with the investment strategy and particular investments made on behalf of the Master Fund. These include the following. Prospective investors should refer to the offering documents for a more complete description of risks associated with and investment in the Feeder Funds:

Limited Operating History. The Feeder Funds and the Master Fund have limited operating history upon which investors can evaluate their likely performance. Accordingly, there can be no assurance that the Master Fund will achieve its investment objectives. The past investment performance of the Funds, the principals of Tekne or entities with which they have been associated are not necessarily indicative of the future results of an investment in the Feeder Funds. The Master Fund's investment program should be evaluated on the basis that there can be no assurance that Tekne's assessments of the short-term or long-term prospects of investments will prove accurate.

Illiquidity; Lack of Transferability. Redemptions/withdrawals from a Feeder Fund are subject to significant restrictions and may be suspended under certain circumstances. Shares and interests are not tradable. Therefore, an investment in a Feeder Fund is a relatively illiquid investment that involves a high degree of risk. Only investors financially able to maintain their investment, and who can afford to lose all or a substantial part of that investment, should invest in a Feeder Fund. Furthermore, there is not now, and there is not likely to develop, any market for the resale of shares or interests in the Feeder Funds. Transfer is prohibited absent the approval of the applicable Feeder Fund. In addition, the shares and interests in the Feeder

Funds have not been registered under the securities laws of any jurisdiction and may not be transferred absent a valid exemption from such registration.

Business Dependent Upon Key Individuals. The success of the Funds is significantly dependent upon the expertise of Beeneet Kothari. The loss of his services would have a substantial impact on the ability of Tekne to manage the Funds.

Performance Compensation. The performance compensation paid by the Funds may create an incentive for Tekne to cause the Master Fund to make investments that are riskier or more speculative than would otherwise be the case. Since this compensation is calculated on a basis that includes unrealized appreciation of the Master Fund's assets, such compensation may be greater than if it were based solely on realized gains.

Expenses May be Significant. The Funds pay, as applicable, the Management Fee, brokerage commissions and other execution, leverage and administrative costs and other expenses whether or not they make any profits. While it is difficult to predict the future expenses of the Funds, such expenses may represent a substantial percentage of a Fund's net assets. The expenses may vary depending on, among other things, the degree of leverage utilized by the Master Fund. The Funds must make substantial profits to avoid depletion or exhaustion of its assets from these fees and expenses.

No Management Rights. An investor in a Fund has no right to participate in the management of the Feeder Funds or the Master Fund or the conduct of their business.

Absence of Regulatory Oversight. While a Feeder Fund may be considered similar to an investment company, it is not required, nor does it intend, to register as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), and, accordingly, the provisions of the 1940 Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody at all times to 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 applicable. Because securities of the Master Fund held by brokers are generally not held in the Master Fund's name, a failure of such broker may have a greater adverse impact on the Master Fund than if such securities were registered in the Master Fund's name.

Effects of Substantial Redemptions/Withdrawals. Substantial redemptions/withdrawals may affect the value of an investor's investment. Such redemptions/withdrawals may require Tekne to liquidate the Master Fund's securities rapidly, which may adversely affect the value of both the Feeder Fund interests being redeemed/withdrawn and the remaining Feeder Fund interests. In addition, the Master Fund's assets may be substantially reduced, which may make it more difficult for the Master Fund to generate investment profits or recoup losses, and may even cause the Master Fund to liquidate positions prematurely.

Compulsory Redemption/Withdrawal. A Feeder Fund may redeem/withdraw all or any portion of an investor's interests for any or no reason at any time. Such required

redemption/withdrawal may create adverse economic or other consequences to the investor depending on the timing thereof and the investor's personal circumstances.

In-kind Distributions. Investors may receive in-kind distributions from a Feeder Fund. Such investments so distributed may not be readily marketable or saleable and may have to be held by such redeeming/withdrawing investor for an indefinite period of time. As a result, an investment in a Feeder Fund is suitable only for sophisticated investors.

Valuation Risks. The assets of the Master Fund are valued based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The value of those assets of the Master Fund for which a third-party price is not available will be valued based on other sources deemed reliable. Investors should note that there is a risk that an investor that redeems/withdraws while the Master Fund holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value reported at the time of redemption/withdrawal. In addition, there is a risk that a subscription for shares or interests in a Feeder Fund could dilute the underlying value of such assets for the other investors if the actual value of such assets is higher than the value reported by the Fund administrator. There is also a risk that greater management fees and performance compensation may be paid in respect of certain assets or liabilities of the Master Fund than would have been paid if the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees and allocations. No person is under any liability (including any obligation to remit excess fees or compensation to the Funds or any of the investors) if a price reasonably believed to be an accurate valuation of a particular asset of the Master Fund is found not to be such.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of Tekne or the integrity of its management. Tekne has no applicable disciplinary information to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

Tekne Partners GP LLC, a Delaware limited liability company (the "Fund GP"), acts as the general partner of the U.S. Feeder and the Master Fund. Beeneet Kothari is the Managing Member of the Fund GP. The Fund GP receives a performance allocation with respect to the Funds, as described above in Item 5.

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

Code of Ethics

Tekne has adopted a Code of Ethics (the "Code") which sets forth standards of business conduct for Tekne and its "Supervised Persons," which include all employees, "access persons," other persons providing investment advice on behalf of Tekne and others designated by Tekne's Chief Compliance Officer ("CCO"). The Code is based on the principle that Tekne and its Supervised

Persons have a fiduciary duty to act in the best interest of Tekne's clients. The duties of Supervised Persons under the Code are summarized below:

- Supervised Persons are required to submit to the CCO an annual report listing their securities holdings and submit duplicate copies of brokerage statements (unless a specific exemption applies). The reports of the CCO are submitted to another employee.
- The Code sets forth record keeping requirements and the responsibilities of the CCO with respect to review of personal holdings and trading reports, preclearance of transactions and monitoring compliance with the Code.
- Supervised Persons are subject to trading restrictions prohibiting trading for their own personal accounts outside of mutual funds and previously held securities (of which they are only permitted to reduce their position and are prohibited from increasing their position).
- Supervised Persons are also subject to restrictions on participating in initial public offerings and the right of Tekne to require them to disgorge any profits from a transaction deemed, after the event, to conflict with client interests.
- Supervised Persons must comply with the federal securities laws, certify they have read and understand the Code and Tekne's Compliance Manual and report any violations of the Code to the CCO.
- The Code sets forth limitations on Supervised Persons receiving gifts from third parties and prohibits Supervised Persons from soliciting gifts from third parties with which Tekne conducts or could conduct business.
- Supervised Persons are prohibited from trading either in their personal accounts or client accounts on the basis of material non-public information.

A prospective client or investor may obtain a copy of the Code of Ethics by contacting Tekne at (212) 300-9530 and/or via electronic mail at IR@tekneap.com.

Personal Trading; Insider Trading Policy

In addition to the firm's restrictions on personal trading by Supervised Persons, Tekne has adopted an "insider trading" policy as part of its Code in accordance with Advisers Act Section 204A, which prohibits the misuse of material non-public information by Tekne and all of its personnel. Any Tekne officer, director, employee or other access person who fails to observe the above-described policies risks serious sanctions, including dismissal and personal liability.

Devotion of Time and Resources

Tekne and its officers and employees devote as much of their time to the activities of the Fund as they deem necessary and appropriate. Tekne and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Funds for

investment opportunities or otherwise and/or may involve substantial time and resources of Tekne and its principals and employees.

Item 12 - Brokerage Practices

Allocation of Brokerage; Best Execution

Securities transactions on behalf of the Master Fund and any other clients are expected to generate a substantial amount of brokerage commissions and other compensation, all of which the applicable client, not Tekne, is obligated to pay. Tekne has complete discretion in deciding what brokers and dealers the Master Fund uses and in negotiating the rates of compensation the Master Fund will pay. In addition to using brokers as “agents” and paying commissions, the Master Fund may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Tekne generally allocates brokerage on the basis of best available execution. In determining the ability of a broker or dealer to provide best execution of securities transactions, Tekne may consider a number of factors, including the execution capabilities required by the transactions; the importance of speed, efficiency and confidentiality; the broker or dealer’s apparent familiarity with sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker or dealer; as well as other matters it deems relevant to the selection of a broker or dealer for portfolio transactions. In particular, Tekne may take into consideration a broker’s provision or payment of the costs of brokerage and research services that are of benefit to the Master Fund and other clients of Tekne, as further described below.

Commission Rates or Equivalents

Tekne has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker or dealer on the basis of its purported or “posted” commission rate. Tekne does not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Use of Soft Dollar Arrangements

When appropriate under its discretionary authority and consistent with its duty to obtain best execution, Tekne may direct brokerage transactions for client accounts to broker-dealers who provide Tekne with research and brokerage services. The brokerage commissions used to acquire these services are known as “soft dollars.” Section 28(e) and related SEC interpretive materials provide a “safe harbor” which allows Tekne to pay for research and brokerage services with soft dollars generated by client account transactions. Section 28(e) permits Tekne, under certain circumstances, to cause client accounts to pay brokers and dealers a commission for effecting portfolio transactions in excess of the commission another broker or dealer would have charged to effect such transactions. Broker-dealers typically provide a bundle of services, including research and execution. The services provided can be either proprietary (created and provided by

the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker-dealer). Subject to Section 28(e), Tekne may use soft dollars to acquire either type.

It may not be possible to place a value on the special executions or on the research services Tekne receives from broker dealers effecting transactions in portfolio securities. Accordingly, Tekne may pay broker-dealers commissions for effecting clients' portfolio transactions in excess of amounts other broker-dealers would have charged for effecting similar transactions if Tekne determines in good faith that such amounts are reasonable in relation to the capital of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or Tekne's overall duty to its discretionary accounts. In determining whether a service or product qualifies as research or brokerage, Tekne must evaluate whether the service or product provides lawful and appropriate assistance to it in carrying out its investment decision-making responsibilities. Brokerage and research services that may be provided under Section 28(e) include: (1) furnishing advice as to the capital of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports and sponsoring seminars or conferences concerning industries, issuers, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). Examples of services which Tekne may pay for with client commissions include certain market publications and commentaries, research and data reports, economic forecasts, Bloomberg and similar 28(e) permitted services.

The receipt of research in exchange for soft dollars benefits Tekne by allowing Tekne, at no cost to it, to supplement its own research and analysis activities. This creates a conflict of interest which Tekne recognizes. Tekne limits its use of soft dollars to only those services which are within the safe harbor.

Certain prime brokers may provide capital introduction services whereby Tekne may be afforded the opportunity to make a presentation regarding its services to certain qualified investors identified by the prime brokers. While the prime brokers generally provide such services at no additional cost to Tekne, Tekne and not its clients may be the principal or sole beneficiary of those services, thus presenting a potential conflict of interest between its clients and Tekne, which is responsible for selecting the prime brokers and negotiating the prime broker's brokerage, margin and other fees.

Block Trading and Trade Allocation

When it is determined, in Tekne's sole discretion, that it would be appropriate for the Fund and one or more other investment accounts managed by Tekne or its affiliates to participate in the same investment opportunity, Tekne will seek to execute orders for all of the participating investment accounts, including the Fund, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, the investment programs and portfolio positions of the Fund and the other accounts for which participation is appropriate and such other factors as Tekne deems relevant.

Tekne may combine orders on behalf of one client with orders for other accounts for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. Where Tekne determines that two or more clients or accounts should participate in the same transaction, Tekne will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. While Tekne believes combining orders in this way will, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a given client than if that client had been the only account effecting the transaction or had completed its transaction before the other participants. In addition, the securities available for purchase by a client may be reduced at times as a result of such order aggregation by Tekne.

Additional Services

Tekne may select one or more firms to serve as prime broker to hold the funds and securities of, and execute transactions for, the Funds and other clients of the firm, consistent with best execution. In addition to custody and execution, a prime broker may provide other core functions (such as reporting, clearing, financing, securities lending, and client service) as well as capital added items (such as capital introductions, advanced research and analytics and technology services) to a fund or client. Tekne may choose which broker effects a particular transaction and, on occasion, the amount of commission the private fund pays for such trade. Tekne may “trade away” for specific trades, executing trades through brokers other than the prime broker in an effort to gain access to greater inventory or better price or execution.

Item 13 - Review of Accounts

Tekne’s portfolio manager and compliance personnel review the account of the Master Fund and other client accounts on an ongoing basis to monitor the disciplined and consistent implementation of the investment decisions made on behalf of such accounts. Such personnel conducts periodic account reviews to assure adherence to clients’ stated investment objectives, investment restrictions and limitations, as well compliance with Tekne’s trading and trade allocation policies and procedures. Tekne may also create customized reports at a client’s or investor’s request.

Item 14 - Client Referrals and Other Compensation

Tekne may from time to time compensate, either directly or indirectly, either employees or third parties for client referrals. Any such referral arrangements will comply with the relevant portions of the “cash solicitation” rule (Rule 206(4)-3). In particular, third party referral arrangements will be pursuant to a written agreement between Tekne and the solicitor and all required disclosures will be made. Prime brokers or other brokerage firms may also solicit investors for the Feeder Funds and other client funds. Any such solicitations will comply with applicable law.

Item 15 - Custody

Tekne is deemed to have custody of the assets of the Funds through its ability, or the ability of the Fund GP, to access and control these assets and withdraw them from custodial accounts. All of the Funds’ assets are currently held by the Master Fund. Tekne maintains the Master Fund’s assets in an account in the custody of unaffiliated broker-dealers or banks, so called “qualified

custodians,” as required by Rule 206(4)-2 under the Investment Advisers Act. Tekne employs additional safeguards. For example, the Funds are audited annually by a Public Company Accounting Oversight Board (PCAOB)-registered independent accountant, and investors in these Funds receive the audited financial statements, prepared in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of each fiscal year. In addition, the Funds employ an independent third-party administrator, which calculates management fees and other compensation, and prepares and sends periodic statements to investors.

Item 16 - Investment Discretion

Tekne typically has discretionary authority to select the identity and amount of securities to be bought or sold on behalf of the Funds. Such discretion is to be exercised in a manner consistent with the stated investment objectives and policies for the Funds as described in the offering memoranda for the Feeder Funds.

Item 17 - Voting Client Securities

Tekne is ultimately responsible for ensuring that all proxies received with respect to a client’s accounts are voted in a timely manner and in a manner consistent with each client’s best interest and consistent with Tekne’s policies and procedures on a case-by-case basis. Tekne seeks to ensure that all votes are consistent with the best interests of its clients and are free from unwarranted and inappropriate influences.

Please contact Tekne at (212) 300-9530 and/or via electronic mail at IR@tekneap.com if you would like a copy of Tekne’s proxy voting policies and procedures or a record of how Tekne voted with respect to your account.

Item 18 - Financial Information

A registered investment adviser is required to provide certain financial information or disclosures about its financial condition. Tekne has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.