

Item 1: Cover Page

PART 2A OF FORM ADV: BROCHURE

**POLYCHAIN CAPITAL LP
POLYCHAIN VC LP**

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This Brochure provides information about the qualifications and business practices of Polychain Capital LP and its relying adviser, Polychain VC LP. If you have any questions about the contents of this Brochure, please contact Polychain Capital LP's Chief Compliance Officer, Ruby Sekhon, at ruby@polychain.capital. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to Polychain Capital LP as a registered investment adviser does not imply a certain level of skill or training. Additional information about Polychain also is available on the United States Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

There have been no material changes since the initial filing of the Form ADV Part 2A. However, this brochure contains updates to various items to clarify the description of business practices.

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ITEM 4: ADVISORY BUSINESS

Item 4.A.

Polychain Capital LP (“**Polychain Capital**”), a Delaware limited partnership, commenced its operations as an investment manager in August 2016, and became registered with the United States Securities and Exchange Commission (“**SEC**”) in March 2018. Polychain VC LP (“**Polychain VC**”, and together with Polychain Capital “**Polychain**” or the “**Investment Manager**”), a Delaware limited partnership, commenced operations as an investment manager in January 2018, and is an affiliated entity and relying adviser of Polychain Capital. As indicated on Form ADV Part 1A, Olaf Carlson-Wee is the Investment Manager’s principal owner. Polychain’s principal place of business is in San Francisco, California. The general partner of Polychain Capital and Polychain VC is Polychain Meta LLC (“**Polychain Meta**”), a Delaware limited liability company, which is owned and controlled by Olaf Carlson-Wee, the Managing Member of Polychain Meta.

Item 4.B.

Polychain is an investment management firm that provides advisory services on a discretionary basis to privately offered pooled investment vehicles which are intended for investment by certain investors (“**Investors**”) that are accredited investors under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and are qualified purchasers under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Company Act**”) so as to comply with the exemption under Section 3(c)(7) of the Company Act. Polychain does not limit its investment advice to only certain types of investments.

Polychain Capital’s clients include Polychain Fund I, LP, a Delaware limited partnership, with Polychain Global Ltd., a Cayman Islands exempted company, acting as an offshore feeder fund (the “**Feeder Fund**”, and together with Polychain Fund I, LP, the “**Polychain Funds**”). Polychain VC’s clients include Polychain Ventures LP, a Delaware limited partnership, with Polychain Venture Fund Ltd., a Cayman Islands exempted company, acting as an offshore feeder fund (the “**VC Feeder Fund**” and together with Polychain Ventures LP, the “**Polychain Ventures Funds**”). Polychain Ventures Funds and Polychain Funds are collectively referred to herein as the “**Funds**”, and each individually a “**Fund**”).

Polychain VC’s clients may also include special purpose vehicles in which the Polychain Ventures Funds co-invests in along with Investors and third-party investors. In addition, Polychain VC or Ventures General Partner (as defined below) may provide co-investment opportunities to other funds, private investors, groups or individuals, including Investors (or their affiliates), in the sole discretion of Ventures General Partner. Co-investment with such parties may reduce amounts the Polychain Ventures Funds can invest in any given opportunity, and the Ventures General Partner may be unable to make as large of an investment out of the Polychain Ventures Funds as otherwise might be desirable. In addition, the allocation of investments between the Polychain Ventures Funds and such other parties will be at the Ventures General Partner’s discretion, and if such other parties offer the Ventures General Partner more favorable economic terms than it would receive from the same investment out of the Polychain Ventures Funds, the Ventures General Partner may have a conflict of interest with respect to allocating investments between the Polychain Ventures Funds and such other parties.

Polychain is an affiliate of, and under common control with, Polychain Partners LLC (the “**General Partner**”), the general partner of Polychain Fund I, LP, and Polychain Venture Partners LLC (the “**Ventures General Partner**”), the general partner of Polychain Ventures LP.

Item 4.C.

The Investment Manager's advisory services are provided to the Funds, pursuant to the terms of the Funds' relevant offering documents and based on the specific investment objectives and strategies as disclosed in the offering documents. The advisory services each Fund receives is tailored to its individual needs, specified investment objectives and strategies as set forth in each Fund's offering documents. The Funds may impose restrictions on investing in certain types of securities in accordance with achieving their investment objectives and strategies.

Item 4.D.

Not applicable. Polychain does not participate in a wrap fee program.

Item 4.E.

As of April 30, 2018, Polychain manages approximately \$967,883,634 in regulatory assets under management on a fully discretionary basis. Polychain does not manage any of its clients' assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Item 5.A.

Fees and Compensation of the Polychain Fund

With respect to an Investor in the Polychain Funds, Polychain Capital will generally receive a monthly management fee, calculated at an annual rate of 2.0% (0.167% per month) of such Investor's capital account. The management fee will be calculated and paid monthly in advance, based on the value of each Investor's capital account, as of the first day of the month. Polychain Capital may elect to reduce, otherwise modify or waive the management fee with respect to any Investor.

The General Partner is entitled to receive an allocation, generally annually, equal to 20% of the net income allocated for the year to each Investor's account (and each Investor's interest participating through the Feeder Fund) as of the end of each calendar year ("**Incentive Allocation**"). An Incentive Allocation is also made as to amounts withdrawn, as of the effective time of the withdrawal or redemption by Investors.

Incentive Allocations are subject to a "high water mark" under which the General Partner receives an Incentive Allocation only to the extent the net income allocated to an Investor's capital amount exceeds any net losses previously allocated to it since the date the last Incentive Allocation was assessed (or the original date of contribution if no Incentive Allocation has previously been assessed).

The General Partner (and/or Board of Directors with respect to the Feeder Fund) may elect to reduce, otherwise modify or waive the Incentive Allocation with respect to any Investor.

Fees and Compensation of the Polychain Ventures Funds

With respect to an Investor in the Polychain Ventures Funds, Polychain VC will generally receive a quarterly management fee calculated at an annual rate of 2.25% (approximately 0.563% per quarter) of each Investors commitment in the Fund during an initial thirty-six-month period following the initial closing of the Polychain Ventures Funds. After the initial thirty-six-month period, the management fee will be calculated at an annual rate of 2.0% of the aggregate capital contributions in respect of any

portfolio investments that have not been disposed of (less the aggregate amount of any permanent write-downs of portfolio investments that have not been disposed of); provided that, in no event will the management fee be reduced to less than 1.5% of the aggregate commitments of the Investors. The management fee will be calculated and paid quarterly in advance, as of the first day of the calendar quarter. Polychain VC may elect to reduce, otherwise modify or waive the management fee with respect to any Investor in the Polychain Ventures Funds.

Net investment proceeds from portfolio investments available for distribution in the Polychain Ventures Funds will be distributed among the Ventures General Partner and the Investors in proportion to their respective capital contributions. The Ventures General Partner will receive a portion of amounts distributable to each Investor (a “**Carried Interest**”) equal to 20% of aggregate distribution that are above the Investor’s original capital contribution. The Ventures General Partner, in its sole discretion, may reduce, otherwise modify or waive the Carried Interest with respect to any Investor.

As noted above, the Polychain Ventures Funds may co-invest with, or provide co-investment opportunities to, certain other co-investors, including Investors and other persons through special purpose vehicles. Polychain VC, or its affiliates, as applicable, may earn management fees and carried interest with respect to such co-investments.

It should be noted that any fund launched by Polychain after the date of this brochure may have materially different terms than those summarized above and any terms for any existing Fund may be amended from time to time.

Item 5.B.

Polychain deducts its fees and compensation from the Funds’ accounts by instructing the Funds’ administrator. Fees and compensation from the Funds are collected at the frequency discussed above for the management fee, Incentive Allocation, and Carried Interest in response to Item 5.A. above.

Item 5.C.

Polychain, the General Partner, and the Ventures General Partner each bears its own expenses, including office space and utilities, computer equipment and software (not otherwise paid by the Funds) and secretarial, clerical, employee related and other personnel, except as assumed by the Funds or except as paid for through the permitted use of commission dollars.

Organizational Expenses

Each Fund will bear the following organizational expenses: the offering and sale of the Fund interests and partnership interests in any parallel investment vehicle, including expenses incurred by any placement agent and placement agent fees; and the negotiation, execution and delivery of the Fund’s partnership agreements, any side letter, any investment management agreement and any related or similar documents, including, without limitation, any related legal and accounting fees and expenses, travel expenses and filing fees.

Expenses of Polychain Funds

Each Polychain Fund bears and shall be responsible for its own expenses, including but not limited to, investment related expenses such as the Polychain Fund’s currency exchange fees, hardware and physical vaults for storage of private keys, insurance for the assets of the Polychain Fund, interest on margin accounts and other indebtedness, bank service fees, withholding and transfer fees, taxes, systems and technology expenses, third party research tools, corporate licensing fees, legal and auditing expenses,

accounting, fund administration, filing fees and expenses (including regulatory filings made in respect of the Polychain Fund such as Form PF preparation and filing expenses), outsourced risk management advisory and software, investment related consultants and travel costs that are research related, expenses incurred with respect to the preparation, duplication and distribution to Investors and prospective Investors of Polychain Fund offering documents, annual reports and other financial information, marketing and syndication expenses (including those incurred in marketing the Polychain Fund's interests in the European Union) and any other services or service provider expenses deemed necessary by the General Partner on behalf of the Polychain Fund.

Expenses of Polychain Ventures Funds

The Polychain Ventures Funds bear and shall be responsible for their own expenses, including, but not limited to, investment related expenses such as costs and expenses related to the sourcing, investigation, due diligence, identification, analysis, pursuit, negotiation, purchase, holding, monitoring, sale or exchange of any investments and licenses, regardless of whether such investments are subsequently consummated, the Polychain Ventures Funds' currency exchange fees, interest on margin accounts and other indebtedness, the Polychain Ventures Funds' allocable share of the costs and expenses of special purpose vehicles (including their organizational, offering and operating costs and expenses), hardware and physical vaults for storage of private keys, insurance for the assets of the Polychain Ventures Funds, payments pursuant to the Polychain Ventures Funds' indemnification obligations, the Polychain Ventures Funds' custodial fees, bank service fees, withholding and transfer fees, taxes, systems and technology expenses, third party research tools, corporate licensing fees, legal and auditing expenses, accounting, fund administration, filing fees and expenses (including regulatory filings made in respect of the Polychain Ventures Funds such as Form PF preparation and filing expenses), outsourced risk management advisory and software, investment related consultants and travel costs that are research related (including lodging and other expenses incurred in connection with meeting members of management of existing or prospective portfolio companies), meetings of the Investors of the Polychain Ventures Funds and similar meetings, if applicable, expenses incurred with respect to the preparation, duplication and distribution to Investors and prospective Investors of Polychain Ventures Funds offering documents, annual reports and other financial information, any other services or service provider expenses deemed necessary by the Ventures General Partner on behalf of the Polychain Ventures Fund.

Other Fees of Polychain Ventures Funds

Polychain VC, its affiliates or their members, employees or other affiliates may receive transaction, commitment, break-up, advisory, syndication, guarantee, directors, officers, management and other fees (excluding legal fees) from a Portfolio Company (as defined below). In the event Polychain VC, or an affiliate or their members, is paid such fees, 100% of the fees will offset the management fees payable by Investors, net of any unreimbursed expenses incurred by Polychain VC and its affiliates, in accordance with Polychain Ventures Funds' governing documents.

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. While Polychain believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Polychain is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

Brokerage Fees for the Funds

Brokerage is specifically discussed in Item 12 below.

Item 5.D.

As discussed above in response to Item 5.A., the management fee of each of the Funds is payable quarterly in advance.

Item 5.E.

Not Applicable. Neither Polychain, nor any of its supervised persons, are compensated for the sale of securities or other investment products or mutual funds. Additionally, Polychain does not charge advisory fees in addition to commissions or markup fees for the purchase and sale of securities for the Funds' portfolios.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Polychain and its affiliates may receive a performance-based fee in the form of an Incentive Allocation or Carried Interest, as discussed in response to Item 5.A. Polychain understands that there exist certain potential conflicts of interest associated with the presence of performance-based fees. Such a fee may create an incentive for the Investment Manager to cause the Funds to make investments that are riskier or more speculative than would be the case if there were no performance fee. Performance-based compensation may vary with respect to the Funds and any special purpose vehicles, which may create an incentive to favor clients that pay higher performance-based compensation in the allocation of investment opportunities. However, Polychain advises each of the Funds in accordance with its investment strategy and any allocation restrictions set forth in each Fund's organizational documents so that Investors in the Funds are aware of the applicable investment strategy, restrictions, and risks.

Additionally, Polychain has established policies and procedures designed to address potential conflicts of interest relating to the side-by-side management of pooled investment vehicles and special purpose vehicles used for co-investment where the performance based compensation varies, including the allocation of investments and opportunities. The Investment Manager reviews the portfolio holdings of each client to determine whether any patterns exist which indicate improper allocation, or whether there is any other indication of impropriety. The Investment Manager's procedures require fair and equitable treatment in light of the relevant circumstances for the allocation of limited opportunities among clients.

ITEM 7: TYPES OF CLIENTS

Polychain's clients are privately offered pooled investment vehicles, which are intended for investment by certain investors that are qualified purchasers as defined by the Company Act. The minimum initial subscription amount required to invest in the Funds is \$1,000,000, and may be subject to waiver at the discretion of the respective Fund's general partner or board of directors. Additional subscription amounts required to invest in the Funds are detailed within each Fund's offering documents. Polychain's clients may also include special purpose vehicles in which the Polychain Ventures Funds co-invest in along with Investors and third-party investors.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A.

The Funds may be deemed to be a highly speculative investment and are not intended as a complete investment program. The Funds are designed only for sophisticated persons who can bear the economic risk of the loss of their investments in the Funds and who have a limited need for liquidity in their investment. There can be no assurance that the Funds will achieve their investment objective or that substantial losses will not be incurred. Each prospective investor in a Fund should carefully review the applicable Fund's offering documents and the agreements referred to therein prior to deciding to invest in the Fund.

Investment Program of the Polychain Funds

The Polychain Funds invests in a diversified portfolio of blockchain assets. The creation of Bitcoin has led to the emergence of a new digital asset class in which scarcity is based on mathematical properties. Through cryptographic verification and a game-theoretic equilibrium, blockchain-based digital assets can be created, issued, and transmitted using software. The Polychain Funds will invest in digital assets based on the fundamental technological promise of the underlying protocol, with mid to long term positions. As blockchain technology expands, the Polychain Funds seek to achieve maximum returns for Investors by constructing a diversified portfolio of these digital assets.

Investment Program of the Polychain Ventures Funds

The Polychain Ventures Funds' investment objective is to generate long-term capital appreciation through privately-negotiated venture capital investments in early-stage companies (each, a **"Portfolio Company"**) that are active in blockchain technology and the digital assets market, including but not limited to businesses focused on cryptocurrencies and other cryptographic tokens. The Polychain Ventures Funds may also seek to invest a portion of their assets directly in cryptographic tokens and other blockchain technology, otherwise known as digital assets. In addition, the Polychain Ventures Funds may invest some of its assets in other pooled investment vehicles, including but not limited to pooled investment vehicles managed by Polychain or its affiliates.

It is anticipated that the Polychain Ventures Funds will co-invest with third-party investors in making investments in portfolio companies in particular blockchain ecosystems, and may do so directly or indirectly through one or more companies, corporations or other entities (i.e., a special purpose vehicle).

Items 8.B. and 8.C.

GENERAL RISK FACTORS

Future Regulatory Change is Impossible to Predict. The Funds invests in digital assets, which currently are either not regulated, or are in the early stages of regulation by U.S. federal and state governments, or self-regulatory organizations. As digital assets have grown in popularity, certain U.S. agencies, such as the Financial Crimes Enforcement Network and the Commodity Futures Trading Commission ("CFTC"), have begun to examine digital assets and the operations of digital assets in depth. Currently, the SEC has not formally asserted regulatory authority over digital assets. The SEC has issued a release stating that, depending on the specific facts and circumstances of the digital assets in question, the digital asset may fall under securities regulation. The CFTC has declared that digital assets are commodities, but currently, only certain kinds of digital assets may be subject to CFTC jurisdiction. To the extent that any type of digital asset is determined to be a security, commodity, future or other

regulated asset, or to the extent that a U.S. or foreign government or quasi-governmental agency exerts additional regulatory authority over the digital assets, the Funds may be adversely affected.

Digital assets currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets networks and their users, particularly digital assets exchanges and service providers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of digital assets by users, merchants and service providers outside of the United States and may therefore impede the growth of the digital asset economy.

The effect of any future regulatory change on the Funds is impossible to predict, but such change could be substantial and adverse.

No FDIC or SIPC Protection. Digital currencies held by the Funds are not subject to Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") protections. The Funds are not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, deposits held with or assets held by the Funds are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. While private insurance may be available at times, the undivided interest in the Funds' digital currencies represented by interests in the Funds are not insured.

Legality of Digital Currencies. It may be illegal, now or in the future, to own, hold, sell or use digital currencies in one or more countries, including the United States. Although currently digital currencies are not regulated or are lightly regulated in most countries, including the United States, one or more countries may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use digital currencies or to exchange digital currencies for fiat currency. Such an action may restrict the Funds' ability to hold or trade digital currencies, and could result in termination and liquidation of the Funds at a time that is disadvantageous to Investors, or may adversely affect an investment in the Funds.

Asset Valuation. The General Partner, Ventures General Partner and Investment Manager have substantial discretion in determining the value of the Funds' assets and liabilities, whether or not a public market exists for securities of the same class or type. While some marketable securities are valued based on prices reported in the public markets, other investments may be more thinly-traded or subject to irregular trading activity. Determinations on the value of certain investments, and how to value assets and liabilities as to which limited prices or quotations are available, are based on the Investment Manager's, General Partner's, or Ventures General Partner's recommendations or instructions to the administrators of the Funds. The General Partner, Ventures General Partner's and Investment Manager may face a conflict of interest in making any of these valuation decisions or recommendations. If the General Partner's, Ventures General Partner's or Investment Manager's valuation of any such securities is inaccurate, the General Partner, Ventures General Partner and/or Investment Manager might receive an Incentive Allocation, Carried Interest and/or management fee that is greater than the allocation and fee to which they would otherwise be entitled. The Investment Manager may not be able to effectively manage the Funds' investment portfolios, diversification and other internal guidelines and risks if the Funds' portfolios are inaccurately valued. Any such inaccuracy could affect Investors adversely. Additionally, any reduction in the value of any assets or increase in the value of any liabilities held by the Funds would reduce the amount of Incentive Allocation or Carried Interest to which the General Partner and Ventures general Partner is entitled, respectively.

INVESTMENT AND TRADING RISKS

General Investment and Trading Risks. An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. The Polychain Funds invest in a portfolio of digital or blockchain assets. The Polychain Ventures Funds invest in securities and other financial

instruments, including digital currencies and digital assets. The Funds make investments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Funds' investment programs will be successful. Certain Funds' investment programs may utilize investment techniques including, but not limited to option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which the Funds may be subject.

The market valuation of digital or blockchain assets, including securities of companies engaged in the blockchain-based technology and other digital asset industries in which the Funds will concentrate its investments is extremely volatile. This volatility can increase the Funds' risks associated with direct investments in such digital or blockchain assets and equity securities of companies engaged in blockchain-based technology and other digital asset industries.

Digital Assets. Digital assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the Funds' assets that reside on an exchange that shuts down may be lost.

Several factors may affect the price of digital assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital currencies or the use of digital currencies as a form of payment. There is no assurance that digital assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital asset payments by mainstream retail merchants and commercial businesses will grow.

Digital assets are created, issued, transmitted, and stored according to protocols run by computers in the digital asset network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by the Funds. There may also be network scale attacks against these protocols which result in the loss of some or all of assets held by the Funds. Some assets held by the Funds may be created, issued, or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by the Funds. The Funds make no guarantees about the reliability of the cryptography used to create, issue, or transmit assets held by the Funds.

Investing in Blockchain Technology Companies. Companies in the rapidly changing fields of blockchain technology and the digital assets markets face special risks. The Investment Manager has no control over and limited visibility into future technological developments. The rapid pace of technological development creates the risk that an issuer's products and services become obsolete, fail to gain meaningful market share, or fall out of favor as more appealing and advanced technologies and products emerge. A Portfolio Company's intellectual property rights may be subject to legal challenge. Many companies in the blockchain technology and digital assets space have limited operating histories. Such a company may be unable to engage and retain sufficient skilled engineering, marketing and management personnel to allow it to maintain its technological edge and develop the corporate infrastructure required to sustain and grow its business. Some digital asset or blockchain industries may be subject to greater governmental regulation than other sectors, and changes in governmental policies and the need for regulatory approvals may materially and adversely affect the business of companies in those sectors. For these and other reasons specific to particular industries and companies, investments in companies in blockchain technology industries pose greater risks than those in certain other sectors.

Equity Investments. A Fund's equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in

which a Fund may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, investing in common stocks may be subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

Digital Asset Exchanges. The digital asset exchanges on which digital assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, digital asset exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase digital assets, and no assurance can be given that those deposit funds can be recovered.

Additionally, upon sale of digital assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring digital assets from a personal account to a third-party's account. The Funds will take credit risk of an exchange every time it transacts.

Digital asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of digital assets for fiat currency difficult or impossible. Additionally, digital asset prices and valuations on digital asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of digital assets remain subject to any volatility experienced by digital asset exchanges, and any such volatility can adversely affect an investment in the Funds.

Digital asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various digital asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft (*e.g.*, Mt. Gox voluntarily shutting down because it was unable to account for over 850,000 Bitcoin), government or regulatory involvement, failure or security breaches (*e.g.*, the voluntary temporary suspensions by Mt. Gox of cash withdrawals due to distributed denial of service attacks by malware and/or hackers), or banking issues (*e.g.*, the loss of Tradehill's banking privileges at Internet Archive Federal Credit Union).

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the Funds to recover money or digital assets being held by the exchange, or to pay investors upon redemption. Further, the Funds may be unable to recover digital assets awaiting transmission into or out of the Funds, all of which could adversely affect an investment in the Funds. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of digital assets, or may adversely affect the Funds, its operations and investments, or the Investors.

Limited Exchanges on Which to Trade. The Funds may trade on a limited number of exchanges (and potentially only a single exchange) either because of actual or perceived counterparty or other risks related to a particular exchange. Trading on a single exchange may result in less favorable prices and decreased liquidity for the Funds and therefore could have an adverse effect on the Funds and Investors.

Exchanges Operating Outside of the U.S. Digital asset exchanges generally operate outside of the United States. The Funds may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained by the Funds in another country. In general, certain less developed countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies. These legal and regulatory risks may adversely affect the Funds and their operations and investments.

Risks of Buying or Selling Digital Assets. The Funds may transact with private buyers or sellers or virtual currency exchanges. The Funds will take on credit risk every time it purchases or sells digital assets, and its contractual rights with respect to such transactions may be limited. Although the Funds' transfers of digital assets or cash will be made to or from a counterparty which the Investment Manager believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, the Funds' digital assets or cash could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Funds are unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Funds' digital assets or cash (through error or theft), the Funds will be unable to recover incorrectly transferred digital assets or cash, and such losses will negatively impact the Funds.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Funds from selling out of these illiquid investments at an advantageous price.

Hedging Transactions. The Investment Manager is not required to attempt to hedge portfolio positions in the Funds and, for various reasons, may determine not to do so. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. The Funds may utilize financial instruments, both for investment purposes and for risk management purposes. The success of the Funds' hedging strategy is subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. While a Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Fund's portfolio holdings.

Limited Diversification. The Funds' offering documents and partnership agreements do not limit the amount of the Funds' capital that may be committed to any single investment, industry or sector. At any given time, it is therefore possible that the Investment Manager may select investments that are concentrated in a limited number or types of investments. This limited diversity could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Custody of Fund Assets. Custody of a Fund's digital currencies shall be maintained by the Investment Manager and/or third-party custodians selected by the Investment Manager. To the extent the Investment Manager maintains custody of any of the Fund's digital currencies, the Investment Manager shall select the private keys that control movement of the currencies. The Investment Manager may also determine, in its sole discretion, to generate the private keys. Currency exchanges may also require the Investment Manager to provide control of the private keys when the exchange is utilized by a Fund. The Investment Manager is responsible for taking such steps as it determines, in its sole judgment, to be required to maintain access to these keys, and prevent their exposure from hacking, malware and general security threats. To the extent that the security system is penetrated, any loss of the Fund's digital currencies may adversely affect an Investor's investment, and could result in total loss of capital.

Third Party Wallet Providers. The Funds may use third party wallet providers to hold a portion of each Fund's digital assets. The Funds may have a high concentration of its digital assets in one location or with

one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. The Funds are not required to maintain a minimum number of wallet providers to hold the Funds' digital assets. The Funds may not do detailed information technology diligence on such third party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third party wallet providers may not indemnify the Funds against any losses of digital assets. Digital assets held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such digital assets. The Funds may also incur costs related to third party storage. Any security breach, incurred cost or loss of digital assets associated with the use of a third party wallet provider, may adversely affect an investment in the Funds.

Digital Asset Trading is Volatile and Speculative. Digital assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, digital currencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for digital assets is generated by speculators and investors seeking to profit from the short or long-term holding of digital assets. The relative lack of acceptance of digital assets in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with digital assets. A lack of expansion by digital assets into retail and commercial markets, or a contraction of such use, may result in increased volatility.

Risk of Loss of Private Key. Digital assets are controllable only by the possessor of unique private keys relating to the addresses in which the digital assets are held. The theft, loss or destructions of a private key required to access a digital asset is irreversible, and such private keys would not be capable of being restored by the Funds. Any loss of private keys relating to digital wallets used to store the Funds' digital assets could result in the loss of the digital currencies and an Investor could incur substantial, or even total, loss of capital.

Stolen or Incorrectly Transferred Digital Assets May be Irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets or a theft of digital assets generally will not be reversible and the Funds may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, the Funds' digital assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Funds are unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Funds' digital assets through error or theft, the Funds will be unable to revert or otherwise recover incorrectly transferred digital assets. To the extent that the Funds are unable to seek redress for such error or theft, such loss could adversely affect an investment in the Funds.

Security Breaches. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could result in the halting of a Fund's operations, or the suspension of redemptions or a loss of a Fund's assets. While the Investment Manager believes it has developed controls, it is not impenetrable and may not be free from defect, and any loss due to a security breach or software defect will be borne by the Funds, absent gross negligence, willful misconduct or fraud on the part of the Investment Manager.

Trading on Digital Asset Networks. The Funds will convert U.S. dollar contributions made by Investors to Bitcoins and other alternative digital assets over the Bitcoin Network or specific networks, as applicable. Many digital asset networks are online end-user-to-end-user networks that host a public transaction ledger, known as the blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many digital asset transactions, the recipient of the digital asset must provide its public key, which serves as an address for a digital wallet, to

the party initiating the transfer. In the data packets distributed from digital asset software programs to confirm transaction activity, each digital asset user must “sign” transactions with a data code derived from entering the private key into a “hashing algorithm,” which signature serves as validation that the transaction has been authorized by the owner of such digital asset. This process is vulnerable to hacking and malware, and could lead to theft of the Funds’ digital wallets and the loss of the Funds’ digital assets. Many digital asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such digital asset exchange.

Counterparty Risk. Some of the markets in which the Funds may effect their transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Funds have no internal credit function that evaluates the creditworthiness of their counterparties. The ability of the Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Amendments to the Bitcoin Network’s Protocols and Software Could Adversely Affect the Funds’ Investment and Trading Activities. The Bitcoin Network is based on a math-based protocol that governs the peer-to-peer interactions between computers connected to the Bitcoin Network. The code that sets forth the protocol is informally managed by a development team known as the core developers that was initially appointed informally by the Bitcoin Network’s purported creator, Satoshi Nakamoto. The core developers can propose amendments to the Bitcoin Network’s source code through one or more software upgrades that alter the protocols and software that govern the Bitcoin Network and the properties of bitcoins, including the irreversibility of transactions and limitations on the mining of new bitcoins. To the extent that a significant majority of the users and miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network would be subject to new protocols and software that may adversely affect the Funds’ investment and trading activities. If less than a significant majority of the users and miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network could “fork.”

Bitcoin is an open source project and, although there is an influential group of leaders in the Bitcoin Network community including the core developers, there is no official developer or group of developers that formally controls the Bitcoin Network. Any individual can download the Bitcoin Network software and make any desired modifications, which are proposed to users and miners on the Bitcoin Network through software downloads and upgrades. However, miners and users must consent to those software modifications by downloading the altered software or upgrade that implements the changes; otherwise, the changes do not become a part of the Bitcoin Network. Since the Bitcoin Network’s inception, changes to the Bitcoin Network have been accepted by the vast majority of users and miners, ensuring that the Bitcoin Network remains a coherent economic system. However, a developer or group of developers could potentially propose a modification to the Bitcoin Network that is not accepted by a vast majority of miners and users, but that is nonetheless accepted by a substantial population of participants in the Bitcoin Network. In such a case, a “fork” in the blockchain could develop and two separate Bitcoin Networks could result, one running the pre-modification software program and the other running the modified version (i.e., a second “Bitcoin” network). Such a fork in the blockchain typically would be addressed by community-led efforts to merge the forked blockchains, and several prior forks have been so merged.

This kind of split in the Bitcoin Network could materially and adversely affect the value of Funds investments and, in the worst case scenario, harm the sustainability of the Bitcoin economy. The aforementioned risks and disclosures are generally applicable to other digital asset networks and Altcoins in which the Funds may invest.

Risk to Digital Asset Networks from Malicious Actors. If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on certain digital asset networks, it may be able to alter the blockchain on which the digital asset transaction relies by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the digital asset network can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new bitcoins or transactions using such control. Using alternate blocks, the malicious actor could double spend its own bitcoins and prevent the confirmation of other users' transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power on various digital asset networks or the digital asset community does not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Such changes could adversely affect an investment in the Funds or the ability of the Funds to transact.

Computer Malware, Viruses, Bugs, Etc. Computer malware, viruses, and computer hacking and phishing attacks have become more prevalent in the industries in which Portfolio Companies operate, and may occur on Portfolio Companies' systems. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security, and availability of Portfolio Companies' products and technical infrastructure may harm such Portfolio Companies' reputations, their ability to retain existing users and attract new users, and their results of operations.

Portfolio Companies' products and internal systems generally rely on software that is highly technical and complex, and Portfolio Companies' internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. Such software may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within such software may result in a negative experience for users and marketers who use Portfolio Companies' products, delay product introductions or enhancements, or result in measurement or billing errors. Any errors, bugs, or defects discovered in Portfolio Companies' software could result in damage to such Portfolio Companies' reputations, loss of users, loss of revenue, or liability for damages, any of which could adversely affect such Portfolio Companies' business and financial results, and could result in significant losses for the Polychain Ventures Funds.

Digital Assets Miners May Cease to Solve Blocks. If the award of new digital assets, including Bitcoin or other Altcoins, as applicable, for solving blocks declines and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce the collective processing power on such digital asset network, as applicable, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the Bitcoin Network more vulnerable to a malicious actor or botnet obtaining control in excess of fifty percent (50%) of the processing power on such network. Any reduction in confidence in the confirmation process or processing power of such network may adversely impact an investment in the Funds.

Intellectual Property Rights Claims May Adversely Affect the Operation of Digital Asset Networks. Third parties may assert intellectual property claims relating to the operation of digital assets and their

source code relating to the holding and transfer of such assets. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the digital asset's long-term viability or the ability of end-users to hold and transfer digital assets may adversely affect an investment in the Funds. Additionally, a meritorious intellectual property claim could prevent the Funds and other end-users from accessing such digital asset network or holding or transferring their digital assets, which could force the Funds to terminate and liquidate digital assets (if such liquidation of the Funds' digital assets is possible). As a result, an intellectual property claim against the Funds could adversely affect an investment.

Initial Coin Offering Risk. The Funds may invest some of their assets in initial coin offerings ("ICOs"). ICOs allow for investors to purchase digital tokens offered or created by blockchain based companies on various platforms in exchange for dollars or already established digital currencies which can then be converted to dollars on a cryptocurrency exchange. ICOs are currently unregulated and are subject to fraud, security breaches, regulatory developments, enforcement actions, and technological developments. ICOs can at any point become subject to federal and state securities laws, federal commodity laws, and various international regulations, among other restrictions. Such restrictions may have an adverse impact on the Funds' assets or on the Funds' ability to sell their assets. As investors can purchase new tokens with already existing digital currencies, investments in ICOs subject the Funds to all risks associated with digital currencies in general.

ICOs occur in respect of digital assets that have not been tested or used in the marketplace. As a result, the risk that digital assets obtained by the Funds through ICOs will have imperfections and/or be susceptible to hackers is greater than that of digital assets that have already been established. In addition, there is also the risk that digital assets obtained by the Funds through ICOs will not develop a following.

As ICOs may arise at unpredictable intervals, there is a risk that a Fund's investments may become concentrated in a single (or limited number of) digital asset(s). Such limited diversification may result in the concentration of risk, which, in turn, could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements with respect to such digital asset(s). In addition, the Funds may be forced to hold cash for significant periods of time (until the occurrence of an ICO opportunity).

Digital assets acquired by the Funds in connection with ICOs may also entail promises to sell within, or hold for, a specified time period. As a result, the Funds may be forced to sell an investment at an inopportune time, or hold an investment at times where it would otherwise be advantageous to sell. Digital assets sold through ICOs have experienced high levels of performance and rapid increases in price. While past performance is generally not indicative of future results, this is especially the case with respect to digital assets purchased through ICOs, which are a relatively new and untested product. In addition, there is not yet sufficient information to determine whether such high levels of performance are sustainable and/or how the digital asset market will react in the short- or long-term to the proliferation of ICOs currently taking place.

ICO and Pre-ICO Valuation Risks. ICOs and pre-ICOs may offer a Fund the ability to purchase digital assets at discounted prices. Digital assets purchased by a Fund will generally be valued at cost until active trading in such digital assets develops. Any such digital assets may also be revalued in the event the General Partner or Ventures General Partner, as applicable, believes such valuation does not accurately reflect the value of the applicable digital assets because there are subsequent offerings of such digital assets at higher values, as reported by the relevant issuer during the applicable financing round. Such values will be deemed accurate and will be used in determining the value of the applicable digital assets held by the Fund. Accordingly, while Investors who invest in a Fund prior to any revaluation or the emergence of such active trading, as applicable, will receive the benefit of purchasing such digital assets at discounted prices, any withdrawal proceeds paid to Investors who withdraw from the Fund prior to any

revaluation or the emergence of such active trading will reflect the lower, discounted prices and not the adjusted valuation price or expected trading price of such digital assets on any active exchange or other market, as applicable.

Fraudulent ICOs and Pre-ICOs. ICO and pre-ICOs campaigns in which the Funds may participate are unregulated and may turn out to be fraudulent. There is no guarantee that funds lost due to such fraudulent actions will be recovered by the Funds.

ICO Ineligibility. The Funds may be ineligible to participate in certain ICOs (particularly, ICOs issued by non-U.S. sponsors that limit participation to non-U.S. persons or entities). While the Funds may seek to participate in ICOs through a non-U.S. subsidiary, there is no guarantee that a non-U.S. subsidiary of any of the Funds will be permitted to take part in an ICO that generally limits participation to non-U.S. persons or entities.

Lack of Operating History of Portfolio Companies. The Polychain Ventures Funds expect to invest in Portfolio Companies that have relatively limited operating histories. Generally, very little public information exists about these companies, and the Polychain Ventures Funds will rely on the ability of Polychain VC to obtain adequate information to evaluate the potential returns. If Polychain VC is unable to uncover all material information about these companies, the Polychain Ventures Funds may not make a fully informed investment decision, and may lose money on their investments. These companies may be particularly vulnerable to U.S. and foreign economic downturns such as the recent recession and may have limited access to capital. These businesses also frequently have less diverse product lines and a smaller market presence than larger competitors and may experience substantial variations in operating results. They may face intense competition, including from companies with greater financial, technical, operational and marketing resources, and typically depend upon the expertise and experience of a single individual executive or a small management team. The Polychain Venture Fund's success depends, in large part, upon the abilities of the key management personnel of the Portfolio Companies, who are responsible for the day-to-day operations of the Portfolio Companies. Competition for qualified personnel is intense at any stage of a company's development. The loss of one or more key managers can hinder or delay a company's implementation of its business plan and harm its financial condition. Portfolio Companies may not be able to attract and retain qualified managers and personnel. In addition, Portfolio Companies may compete with each other for investment or business opportunities and the success of one could negatively impact the other. Furthermore, Portfolio Companies do business in regulated industries and could be affected by changes in government regulation. Accordingly, these factors could impair their cash flow or result in other events, such as bankruptcy, which could limit their ability to repay their obligations to the Polychain Ventures Funds, and may materially and adversely affect the return on, or the recovery of, the Funds' investment. As a result, a Polychain Ventures Fund may lose its entire investment in any or all of the Portfolio Companies.

Economic Risks of Portfolio Companies. The business and operating results of Portfolio Companies may be impacted by worldwide economic conditions. Any conflict or uncertainty, including due to natural disasters, public health concerns, political unrest or safety concerns, could harm their financial condition and results of operations and cash flows. In addition, if the government of any country in which products are developed, manufactured or sold sets technical or regulatory standards for products developed or manufactured in or imported into their country that are not widely shared, it may lead some of their customers to suspend imports of their products into that country, require manufacturers or developers in that country to manufacture or develop products with different technical or regulatory standards and disrupt cross-border manufacturing, marketing or business relationships which, in each case, could harm the business of Portfolio Companies. In addition, Portfolio Companies may be susceptible to economic slowdowns or recessions.

Failure of a Portfolio Company. Although the Portfolio Companies are carefully selected by Polychain VC, it is possible that the Polychain Ventures Funds may lose all or a portion of its investment in some Portfolio Companies. No assurance can be given that the failure of one or more Portfolio Companies will not have a material adverse effect on the Polychain Ventures Funds' overall performance.

Unidentified Investments; Competitive Market for Investments. Polychain VC may be very selective when seeking investments for the Polychain Ventures Funds. The business of identifying and structuring certain transactions is competitive (and may become more competitive in the future), and involves a high degree of uncertainty. There can be no assurance that Polychain VC will be able to locate and complete attractive investments or that it will be able to adhere to the investment strategy outlined in a Polychain Ventures Fund's offering documents. Furthermore, there can be no assurance that Polychain VC will be able to invest the entire amount of a Polychain Ventures Fund's assets or that suitable investment opportunities will otherwise be identified. If Polychain VC is unable to identify adequate investments at any given time, a significant portion of a Polychain Ventures Fund's assets may be held in cash or equivalents, which produce low rates of return.

Use of Leverage and Financing. The Polychain Ventures Funds may leverage their capital because Polychain VC believes that the use of leverage may enable the Polychain Ventures Funds to achieve a higher rate of return. Accordingly, a Polychain Ventures Fund may pledge its securities or digital currencies or digital assets in order to borrow additional funds for investment purposes. The Polychain Ventures Funds may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the Polychain Ventures Funds may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing a Polychain Ventures Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a Polychain Venture Fund would be magnified to the extent the Polychain Ventures Fund is leveraged. The cumulative effect of the use of leverage by a Polychain Ventures Fund in a market that moves adversely to the Polychain Ventures Fund's investments could result in a substantial loss to the Polychain Ventures Fund which would be greater than if the Polychain Ventures Fund were not leveraged.

High Risk Investments. While investments in companies in certain industries may offer the opportunity for significant capital gains, such investments generally involve a high degree of business, financial, technological and regulatory risk, which can result in substantial losses. Moreover, the Polychain Ventures Funds' portfolio is likely to include investments particularly subject to increased risk because they are in companies at an early stage of development, which have been or may go into bankruptcy, acquired as leverage buyouts subject to interest rate fluctuations, or engaged in highly competitive industries dominated by companies with substantially greater resources. As a result, a Polychain Ventures Fund may experience substantial volatility and potential for loss. Polychain VC believes that its investment selection techniques moderate this risk. However, no guarantee or representation is made that the portfolio investments will be successful.

No Control over Portfolio Issuers. The Polychain Ventures Funds may acquire substantial positions in the securities of particular companies. Nevertheless, a Polychain Ventures Fund is unlikely to be represented on the board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Each Investor and prospective Investor in a Fund should carefully review the applicable Fund’s offering documents and the agreements referred to therein for risks involved in an investment in the Fund.

ITEM 9: DISCIPLINARY INFORMATION

There are no material legal or disciplinary events related to the Investment Manager.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A.

Not Applicable. Polychain is currently not applying to register as a broker-dealer and does not intend to.

Item 10.B.

Not Applicable. Polychain, or any of its management persons, is not applying to register with the National Futures Association and does not intend to.

Item 10.C.

As noted in Item 4, Polychain is an affiliate of, and under common control with, Polychain Partners LLC, the general partner of Polychain Fund I, LP, and Polychain Venture Partners LLC, the general partner of Polychain Ventures LP.

Item 10.D.

Not Applicable. Polychain does not recommend or select other investment advisers for its clients.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A.

Polychain has adopted a Code of Ethics (the “**Code**”) under Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) designed to provide that Polychain employees comply with applicable federal securities laws. The Code addresses, among other things, Polychain’s standard of business conduct, requirements and restrictions relating to personal securities trading, policy regarding political contributions, policy regarding gifts and entertainment and confidentiality. Polychain employees must acknowledge, both initially upon employment and annually thereafter, in writing having received and read a copy of the Code. The Code requires all employees to report personal securities holdings (initially and annually) and certify quarterly personal trading activity. The Code places certain restriction on employees when transacting in the same investments as the Funds. The Code is monitored by Polychain’s Chief Compliance Officer and any exceptions to the Code need prior approval by Polychain’s Chief Compliance Officer.

A copy of the Investment Manager’s Code of Ethics is available to clients or Investors and prospective clients or Investors upon their individual request.

Items 11.B., 11.C., and 11.D.

Polychain, as a fiduciary, endeavors to always make decisions in the best interest of its clients if a conflict of interest arises between the Investment Manager's transactions on behalf of its clients and those of the Investment Manager's personnel and related persons. In order to monitor any conflict of interest, Polychain employees are required to pre-clear certain contemplated transactions in their personal accounts which may present the appearance of impropriety, and must disclose on an initial and annual basis the holdings of all personal accounts, as well as all transactions on a quarterly basis.

ITEM 12: BROKERAGE PRACTICES

Item 12.A.1.

The Funds intend to make portfolio investments that will be privately placed, on digital exchanges or over the counter ("OTC") without the use of a broker-dealer. In the event Polychain requires the services of a broker-dealer, Polychain will seek to obtain best execution for all transactions.

To inform Polychain's decisions in placing transactions with digital exchanges or in assessing the quality of an OTC counterparty, Polychain considers the following factors: speed, ability to handle various trades and orders, liquidity, reliability, transaction fees, pricing, customer services, security and geography, among other criteria.

Polychain does not currently engage in the use of soft dollars.

Item 12.A.2.

Polychain does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Not Applicable. Polychain does not engage in directed brokerage by its clients.

Item 12.B.

Polychain may face actual or potential conflicts of interest when allocating investment opportunities among the Funds. The general policy of Polychain is to allocate investment opportunities among the applicable Funds in a fair and equitable manner and in accordance with the terms of its policies and the applicable governing documents for such Funds.

ITEM 13: REVIEW OF ACCOUNTS

Items 13.A. and 13.B.

Client holdings are reviewed on a regular basis to determine their conformity with their risk parameters, investment objectives, and guidelines. Polychain regularly monitors the portfolio investments of the Funds. Polychain's investment personnel periodically convene to evaluate each position's conformance with the relevant Fund's offering memorandum and any investment limitations, restrictions or risk parameters.

Item 13.C.

Investors in the Funds will each receive written unaudited reports of the performance of the Fund in which they are an investor on a monthly basis, and written audited year-end financial statements prepared using U.S. generally accepted accounting principles on an annual basis within 120 days after the fiscal year end of such Fund.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A.

Not applicable. Polychain does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to any of the Funds.

Item 14.B.

Polychain does not currently maintain any referral arrangements with individuals or entities that may be compensated, directly or indirectly, for referrals. However, Polychain may establish referral or placement arrangements in the future.

ITEM 15: CUSTODY

The Funds will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”) and audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to investors within 120 days of the end of each Fund’s fiscal year. Investors should carefully review the audited financial statements of the Funds upon receipt, and should compare these statements to any account information provided by Polychain.

To the extent practicable, Polychain will maintain each Fund’s assets with a qualified custodian in an account in the name of the respective Fund or in accounts that contain only assets owned by the Fund, under Polychain’s name as agent or trustee for the Fund. Polychain custodies certain digital assets internally as well as with third party wallet providers. Polychain has developed policies and procedures for safekeeping of such digital assets. In addition, digital assets are held at exchanges, which take various measures to safeguard the digital assets held by such exchanges. Polychain conducts due diligence on such exchanges prior to utilizing their services. See “Item 8: Methods of Analysis, Investment Strategies and Risk of Loss” for risks related to custody of digital assets.

Certain assets of the Funds may be exempt from the requirement to be held by a qualified custodian where: (1) the assets are acquired from the issuer in a transaction or chain of transactions not involving any public offering; (2) the assets are uncertificated, and ownership thereof is recorded only on the books of the issuer in the name of the client; and (3) the assets are transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

ITEM 16: INVESTMENT DISCRETION

Polychain accepts discretionary authority to manage securities accounts on behalf of clients and therefore, determine which securities and the amounts of securities it buys and sells for the clients. This authority has been granted to Polychain by means of the execution of the relevant organizational and/or advisory

agreements that set forth the scope of the Investment Manager's discretion with respect to each of the Funds.

ITEM 17: VOTING CLIENT SECURITIES

Item 17.A.

Polychain generally has proxy voting authority with respect to securities held by the Funds due to the fact that it has discretionary authority over the securities held in the Funds. Accordingly, Polychain has adopted proxy voting policies and procedures to vote proxy proposals, amendments, consents or resolutions (collectively, "proxies") relating to the Funds' investments. The Funds, Investors, or other clients generally cannot direct the proxy voting of Polychain. Polychain understands its fiduciary responsibility to monitor corporate events and to vote proxies and cast votes in the best economic interests of its Funds and their Investors, and not to put these interests second to its own economic interests. Conflicts may arise between the interests of the Funds and their Investors versus the interests of Polychain and its affiliates. In such cases, the Investment Manager will address each such conflict, and endeavor to resolve it in a fair and equitable basis.

The Investment Manager's clients may request a copy of the proxy voting policies and procedures and the proxy voting records by contacting the Investment Manager at the address, email or telephone number listed on the cover page of this Brochure.

Item 17.B.

Not Applicable; see response to Item 17.A. Polychain has authority to vote client securities.

ITEM 18: FINANCIAL INFORMATION

Item 18.A.

Not Applicable. Polychain does not require nor solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

Item 18.B.

Polychain is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

Item 18.C.

Not Applicable. Polychain has not been the subject of a bankruptcy petition at any time during the past ten years.