

Item 1. Cover Page

Paradigm Operations LP

**201 Post Street
12th Floor
San Francisco, CA 94108**

Part 2A of Form ADV: Firm Brochure
December 16, 2019

This brochure provides information about the qualifications and business practices of Paradigm Operations LP. If you have any questions about the contents of this brochure, please contact us at operations@paradigm.xyz. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Paradigm Operations LP also is available on the SEC’s website www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

We have updated this Form ADV Part 2A as of December 16, 2019 to reflect the Adviser's new office address.

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means Paradigm Operations LP, a Delaware limited partnership, together (where the context permits) with its affiliated general partners of the Funds (as defined below). The Adviser provides investment supervisory services to one or more investment vehicles (“Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds invest in a diversified portfolio of "blockchain assets", as discussed in further detail in Item 8 below. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments.

The Adviser provides investment supervisory services to the Funds in accordance with the limited partnership agreement of each Fund and separate investment management agreement (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in a Fund. Services are provided to a Fund in accordance with the Advisory Agreement with a Fund and/or organizational documents of a Fund. Investment restrictions for a Fund, if any, are established in the organizational or offering documents of such Fund, Advisory Agreements and/or side letter agreements negotiated with investors in such Fund (such documents collectively, a Fund’s “Organizational Documents”).

The principal owners of the Adviser are Matthew Huang and Frederick Ernest Ehram III (the “Principals”). The Adviser has been in business since 2018. As of March 31, 2019, the Adviser manages \$419,673,200 in regulatory assets under management, on a discretionary basis. The Adviser does not manage assets on a non-discretionary basis.

Item 5. Fees and Compensation

The Adviser receives Management Fees and Incentive Allocations (each as defined below) from the Funds. A Fund and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, may reduce the Management Fees payable to the Adviser. Additionally, consistent with each Fund’s Organizational Documents, the Funds bear certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Funds and/or their portfolio companies. Further details about such fees and expenses are set forth below.

Management Fees

As compensation for investment supervisory services rendered to a Fund, the Adviser receives an advisory fee (a “Management Fee”) calculated based on a Fund’s net asset value or the Adviser’s proposed budget for Adviser related expenses in respect of a Fund. Management Fees may be reduced during the life of a Fund. Management Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities

and investments, or by other expenses borne by such Fund, as described in more detail below. Management Fees paid by a Fund are indirectly borne by investors in such Fund.

Management Fees billed to and received from the Funds are payable quarterly in advance.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser and are set forth in a Fund's Organizational Documents, which are received by each investor prior to investment in a Fund. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Adviser in its sole discretion. The fee structures described herein may be modified from time to time.

Upon termination of an Advisory Agreement, Management Fees that have been prepaid will generally be returned on a prorated basis.

The Adviser, in its sole discretion, may waive, reduce or calculate differently the Management Fees of investors in the Funds that are employees or estate planning vehicles of the Adviser or its personnel ("Adviser Investors"). Adviser Investors pay for their pro rata share of certain Fund expenses.

The Management Fees paid by the Funds are generally reduced by: (1) any amounts paid by the Funds to any placement agent and (2) certain Other Fees (as defined below) received by the Adviser or its affiliates.

In addition, the Adviser and its affiliates from time to time earn fees and other income, including in-kind payments of cryptocurrencies, from services provided or related to Fund Investments (as defined in Item 8 below) or in connection with Investments or prospective Investments, such as advisory fees, consulting fees, transaction fees, monitoring fees, servicing fees, directors' fees or any similar fees (collectively, "Other Fees"). To the extent the Adviser or its affiliates do receive Other Fees, the Management Fees paid by the Funds will generally be reduced by the full amount of such Other Fees. Other Fees may be substantial. The amount and manner of the foregoing reductions are set forth in the Organizational Documents of a Fund.

Expenses

Adviser Expenses

To the extent provided in the Organizational Documents of a Fund, the Adviser bears certain expenses and costs associated with the performance of its services, including expenses related to the Adviser's office space and utilities, and secretarial, clerical and other personnel, except those referenced below in "*Fund Expenses*".

Fund Expenses

Consistent with the Organizational Documents of the Funds, each Fund bears all costs and expenses incurred by such Fund, its General Partner, and the Adviser on behalf of a Fund (except for those expenses borne by the Adviser, as noted above), including, without limitation, (i) Management Fees; (ii) expenses related to the research, due diligence and monitoring of actual

and prospective investments (whether or not consummated, including expenses that would have been allocable to co-investors if consummated) and the consummation of investments, including the following: fees and expenses related to obtaining research and market data (including any information technology hardware, software or other technology incorporated into the cost of obtaining such research and market data); due diligence expenses; costs related to the security and custody of Investments (including third party wallet providers); expenses related to the purchase and sale of illiquid investments; bank service fees; and fees and expenses of third-party professionals, including consultants, investment bankers, attorneys and accountants; (iii) organizational and reorganizational expenses; and (iv) operational expenses, including the following: fees and expenses relating to information technology hardware, software or other technology (including costs of software licensing, implementation, data management and recovery services and custom development) used in connection with a Fund's operations to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations), facilitate and manage the purchase and sale of investments, acquire or mine cryptocurrencies (i.e., mining technology) or otherwise manage a Fund or any trading vehicle, such as portfolio management systems, risk management systems and order management systems; fees and expenses of third-party risk management products, models and services; third-party administrative fees and expenses; fees and expenses of third-party professionals, including consultants, valuation service providers, attorneys and accountants; the costs of any litigation or investigation involving activities of a Fund or any trading vehicle; third-party audit and tax preparation expenses; insurance expenses, including insurance premiums of any general partner liability, errors and omissions or other insurance, insurance of which the Adviser and its affiliates are beneficiaries, and cyber-security insurance premiums; fees and expenses (including director registration fees) of a Fund's and/or any trading vehicle's directors and officers (including any including any Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer); fees and expenses incurred by a Fund in connection with its respective advisory committee (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses); fees and expenses incurred in connection with any annual or special meetings of the Fund's investors; costs of preparing and distributing reports and notices; taxes; expenses incurred in connection with negotiating and complying with provisions of any side letter agreement; fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Funds or any trading vehicle, including any governmental, regulatory, licensing, filing or registration fees or taxes (including fees and expenses incurred in connection with the preparation and filing of any regulatory filings of a Fund); expenses incurred in connection with the offering and sale of the interests and other similar expenses related to a Fund (excluding fees payable to any placement agent); extraordinary expenses, including the following: indemnification expenses; fees and expenses incurred in connection with any tax audit by any taxing authority, including any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, winding-up, termination or dissolution of the Funds or any trading vehicle.

In addition, the Adviser, from time to time, engages one or more fund administrators or similar service providers to perform certain functions in relation to the Funds, which services may include, among other things: (i) maintaining the register of investors of the Funds and generally performing all actions related to subscriptions and transfers of Fund interests; (ii) reviewing and, subject to approval by each Fund, accepting subscriptions for Fund interests and accepting payment therefor;

(iii) computing monthly net asset value for and disseminating the net asset value of the capital accounts in accordance with the applicable Organizational Document; (iv) performing certain acts related to withdrawals; (v) keeping such books and records as set forth in the applicable administration agreement; and (vi) performing certain other services necessary in connection with the administration of the Funds. Fund administrators or similar service providers receive reasonable and customary annual fees and are reimbursed for all out-of-pocket expenses, which fees and expenses are paid out of the assets of the Funds.

From time to time, the general partner of a Fund may create certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). In the event the general partner creates an SPV, consistent with the Organizational Documents of the Funds, the SPV, and indirectly, the investors thereof, typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV. Expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in a Fund (including, without limitation, expenses of accounting and tax services) may be borne by such Fund.

Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle typically bears all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle generally bears its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by the Funds. As a general matter, no co-investor or co-investment vehicle bear Dead Deal Costs or receive any portion of break-up fees until they are contractually committed to invest in the prospective investment. Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed transaction, costs and expenses relating to such co-investment vehicle may, in certain situations, be borne by the Funds, regardless of whether such proposed transaction is consummated. Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to third parties), any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investments, any break-up fees, reverse termination fees,, topping, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

Allocation of Expenses

From time to time the Adviser is required to decide whether certain fees, costs and expenses should be borne by the Funds, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between the Funds and other parties. Certain expenses may be the obligation of the Funds and may be borne by the Funds or, expenses may be allocated among the Funds and other entities. In exercising its discretion to allocate fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

The appropriate allocation between the Funds, Adviser Investors and Third Parties (defined in Item 11 below) of Dead Deal Costs, are determined by the Adviser and its affiliates in their good faith discretion, consistent with the Organizational Documents of each Fund, as applicable.

With respect to allocating other expenses among Fund(s), co-investment vehicles, Adviser Investors and/or Third Parties, as appropriate, to the extent not addressed in the Organizational Documents of a Fund, the Adviser makes any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

Incentive Allocation Payments

Please see Item 6 below regarding “Incentive Allocation” that the Funds pay, depending on the terms of the applicable Organizational Documents.

Brokerage Fees

In the event that the Adviser chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund incurs brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

A portion of the profits of each Fund is allocated to the capital account of its general partner as an “Investment Allocation” (the “Investment Allocation”). The general partner is a related person of the Adviser. Investment Allocations paid by a Fund are indirectly borne by investors in that Fund.

The Adviser currently manages only one Fund, but to the extent the Adviser in the future manages more than one Fund, the payment by some, but not all, Funds of Incentive Allocations or the payment of Incentive Allocations at varying rates (including varying effective rates based on the performance of a Fund) may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Incentive Allocations or Funds paying Incentive Allocations at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Organizational Documents of a Fund, this conflict is mitigated by

contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interest are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to one or more Funds as described in Item 4. Investment advice is provided directly to the Funds (subject to the direction and control of the general partners of the Funds) and not individually to investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities. In some cases, the Funds may accept “accredited investors” who do not meet the definition of “qualified purchasers” including knowledgeable employees and other individuals.

The Adviser does not currently have a minimum total size for the Funds, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Funds invest in "blockchain assets" (i.e., any asset housed on, making use of, or connected to a blockchain through cryptographic ownership, including cryptocurrency coins and "utility" tokens) ("Crypto Assets").

The Funds may also make investments in assets that the Adviser has determined, in its reasonable discretion, are or may in the future become associated with or utilize blockchain technology (even if such asset is not associated with, or does not utilize, blockchain technology at the time of investment), including equity investments in crypto (or potentially crypto-related) technology companies and, subject to certain limitations, securities of commingled investment vehicles or separate accounts investing in, or related to, Crypto Assets, or “Crypto Portfolio Funds”, ("Crypto-Related Assets" and, together with Crypto Assets, "Investments").

The Funds may also pursue opportunities in more illiquid investments and acquire certain assets that the Adviser believes in good faith either lack a readily assessable market value or should be held until the resolution of a special event or circumstance ("Special Investments").

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Risk of Loss

No guarantee or representation is made that the Funds' investment program, including the Funds' investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time and may be subject to significant volatility.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

Risk of Total Loss of Capital - Investments

While all investments risk the loss of capital, investments in Investments (e.g., cryptocurrency coins, "app" and "utility" tokens, etc.) should be considered substantially more speculative and significantly more likely to result in a total loss of capital than most other investment funds. Accordingly, an investment in the Funds could result in the total loss of a limited partner's capital.

Investment Strategy Generally

The success of the Funds' investment strategy, in large part, depends upon the Adviser's ability to identify and purchase Investments that are undervalued or primed for growth. In certain cases, the Funds may hold investments so as to maximize value on a long-term basis (in such case(s), the Funds may forego value in the short-term or temporary investments in order to be able to avail the Funds of additional and/or longer-term opportunities in the future) or may not be able to realize returns on investments in a timely manner (if at all). The identification of investment opportunities in the implementation of the Funds' investment strategy is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired.

Diversification and Concentration

The Funds' investments will consist of "blockchain assets". The Adviser may select investments that are concentrated in a limited number or types of Investments. In addition, the Funds' portfolio may become significantly concentrated in Investments related to a single or a limited number of Crypto Assets or issuers. This limited diversification, and the focus of the Funds overall on "blockchain assets", will result in the concentration of risk.

Hedging Transactions

The Funds may utilize Investments for risk management purposes. The Funds will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Adviser may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Discretion of the Adviser; New Strategies and Techniques

While the Adviser will generally seek to employ the representative investment strategy and techniques discussed herein, the Adviser (subject to the policies and control of the General Partner) has considerable discretion in the types of Investments the Funds may trade and has the right to modify the investment strategy and techniques of the Funds without the consent of the limited partners. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to the Funds. In addition, any new investment strategy or technique developed by the Funds may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds.

Risks Relating to Specific Investments

The investment characteristics of Crypto Assets generally differ from those of traditional currencies, commodities or securities. Importantly, Crypto Assets are oftentimes not directly backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, Crypto Assets are market-based: a Crypto Asset's value is determined by (and fluctuates often, according to) supply and demand factors, and the value that various market participants place on it through their mutual agreement.

Development and Acceptance of Crypto Assets

As a relatively new product and technology, most Crypto Assets are not yet widely adopted. Banks and other established financial institutions may refuse to process funds for cryptocurrency transactions, process wire transfers to or from cryptocurrency exchanges, Crypto Asset-related companies or service providers, or maintain accounts for persons or entities transacting in Crypto Assets. Further, a Crypto Asset may be hindered in some jurisdictions by the fact that it may not be considered an acceptable means of payment or legal tender. To date, speculators and investors seeking to profit from either short- or long-term holding of Crypto Assets drive part of the demand for them, and competitive products may develop which compete for market share. The Funds could be adversely impacted if certain Crypto Assets fail to expand into retail and commercial markets.

Development and Acceptance of the Crypto Asset Networks

The growth and use of Crypto Assets generally is subject to a high degree of uncertainty. Indeed, the future of the industry likely depends on several factors, including: (a) economic and regulatory conditions relating to Crypto Assets; (b) government regulation of the use of and access to Crypto Assets; (c) government regulation of Crypto Asset service providers, administrators or exchanges; and (d) the domestic and global market demand for—and availability of—other forms of Crypto Asset. Any slowing or stopping of the development or acceptance of Crypto Assets or a Crypto Asset network may adversely affect an investment in the Funds.

Virtual Currency Tax Implications

On March 25, 2014, the Internal Revenue Service (the "Service") issued a notice regarding certain U.S. federal tax implications of transactions in, or transactions that use, virtual currency (the "Notice"). According to the Notice, virtual currency is treated as property, not currency, for U.S. federal tax purposes, and "[g]eneral tax principles applicable to property transactions apply to transactions using virtual currency." In part, the Notice provides that the character of gain or loss from the sale or exchange of virtual currency depends on whether the virtual currency is a capital asset in the hands of the taxpayer. Accordingly, in the U.S., certain transactions in virtual currency are taxable events and subject to information reporting to the Service to the same extent as any other payment made in property.

Although the Service has issued the Notice, the U.S. Department of Treasury and the Service may publish future guidance that provides for adverse tax consequences to the Funds and investors in the Funds. Limited partners should be aware that tax laws and Regulations change on an ongoing basis, and that they may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result, the U.S. Federal tax consequences of investing in the Funds are uncertain, and the net asset value of the Funds at the time any subscriptions, withdrawals or exchanges of interests occur may not accurately reflect the Funds' direct or indirect tax liabilities, including on any historical realized or unrealized gains (including those tax liabilities that are imposed with retroactive effect). In addition, the net asset value of the Funds at the time any subscriptions, withdrawals or exchanges of interests occur may reflect a direct or indirect accrual for tax liabilities, including estimates of such tax liabilities, which may not ultimately be paid. Accounting standards may also change, creating an obligation for the Funds to accrue for a tax liability that was not previously required to be accrued for or in situations where it is not expected that the Funds will directly or indirectly be ultimately subject to such tax liability.

Additionally, application of tax laws and regulations may result in increased, ongoing costs, or accounting related expenses, adversely affecting the investment in the Funds. Also, outside the U.S. the tax rules applicable to Crypto Assets are uncertain. Accordingly, the costs or tax consequences to an investor or the Funds could differ from the investor's expectations.

Crypto Asset Offerings

Participation

Participating in Crypto Asset Offerings may require the Funds to pledge Crypto Assets. Trading platforms used by Crypto Asset Offerings are often new and largely unregulated and may therefore be more exposed to theft, fraud and failure. For example, in June 2017, CoinDash, an Israeli startup, planned to raise capital by selling its own digital tokens in exchange for cryptocurrency Ethereum. Thirteen minutes into the token sale, an "unknown perpetrator" hacked CoinDash's website

and changed the address for sending Ethereum-based investments to a fake one, diverting millions of dollars in Ethereum-based investments to the attacker. In general, Crypto Asset Offering trading platforms are currently start-up businesses, with limited operating history and no publicly available financial information. Consequently, if a Crypto Asset Offering trading platform experiences theft, fraud or failure, the Crypto Asset Offering operators may be unable to replace missing Crypto Assets or seek reimbursement for any theft of Crypto Assets, adversely affecting investors and an investment in the Funds.

New Crypto Assets

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

Promise to Hold or Sell

Crypto Assets acquired by the Funds in connection with Crypto Asset Offerings 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.

Performance

Crypto Assets sold through Crypto Asset Offerings may experience an exceptionally wide range of outcomes. While past performance is not indicative of future results, this is especially the case with respect to Crypto Assets purchased through Crypto Asset Offerings, which are a relatively new and untested product. In addition, there is not yet sufficient information to determine whether high levels of performance are sustainable and/or how the Crypto Asset market will react in the short- or long-term to the proliferation of Crypto Asset Offerings currently taking place.

Valuation

Crypto Asset Offerings offer the Funds the ability to purchase Crypto Assets at discounted prices. Crypto Assets purchased by the Funds will generally be valued at cost until active trading in such Crypto Assets develops. Accordingly, while limited partners who invest in the Funds prior to the emergence of such active trading will receive the benefit of purchasing such Crypto Assets at discounted prices, any withdrawal proceeds paid to limited partners who withdraw from the Funds prior to the emergence of such active trading will reflect the lower, discounted prices and not the expected trading price of such Crypto Assets on any active exchange or other market. To the extent an investment in a Crypto Asset Offering is deemed to be a "Special Investment", it will be valued at Special

Investment Value (subject to adjustment for purposes of calculating the Management Fee). In addition, such investment will only be available for withdrawal as provided herein.

Fraudulent Crypto Asset Offerings

Crypto Asset Offering campaigns in which the Funds 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.

Potential SEC Involvement

As further discussed below, the SEC has advised that, depending on the facts and circumstances of each individual Crypto Asset Offering, the Crypto Assets that are offered or sold in a Crypto Asset Offering may be deemed securities.

Crypto Asset Exchanges

General

The exchanges on which Crypto 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. Crypto Asset exchanges may be start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges may require fiat currency funds or cryptocurrency coins to be deposited in advance in order to purchase Crypto Assets, and no assurance can be given that those deposit funds or cryptocurrency coins can be recovered. Additionally, upon sale of Crypto Assets, 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

Crypto Assets from a personal account to a third-party's account. The Funds will take credit risk of an exchange every time it transacts. Crypto Asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of Crypto Assets for fiat currency difficult or impossible. Additionally, Crypto Asset prices and valuations on Crypto 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 Crypto Assets remain subject to any volatility experienced by Crypto Asset exchanges, and any such volatility can adversely affect an investment in the Funds.

Crypto Asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Crypto 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.

Exchanges may even shut down or go offline voluntarily, without any recourse to investors. In many of these instances, the customers of such exchanges have not been compensated or made whole for the partial or complete loss of their account balances. An exchange may be unable to replace missing Crypto Assets or seek reimbursement for any theft of Crypto Assets, adversely affecting investors and an investment in the Funds.

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the Funds to recover fiat currency or Crypto Assets being held by the exchange, or to pay investors upon withdrawal, or a decrease in the value of Crypto Assets held by the Funds. Further, the Funds may be unable to recover Crypto 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 Crypto Asset exchanges representing a substantial portion of the volume in Crypto Asset trading are involved in fraud or experience security failures or other operational issues, such Crypto Asset exchanges' failures may result in loss or less favorable prices of Crypto Assets, or may adversely affect the Funds, its operations and investments, or the limited partners.

Limited Exchanges on Which to Trade

The Funds may trade Crypto Assets on a limited number of Crypto Asset 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 the limited partners.

Non-U.S. Operations

Crypto Asset exchanges may 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 Crypto Assets

The Funds may transact with private buyers or sellers or Crypto Asset exchanges. The Funds will take on credit risk every time it purchases or sells Crypto Assets, and its contractual rights with respect to such transactions may be limited. Although the Funds' transfers of Crypto Assets or fiat currency will be made to or from a counterparty that the Adviser believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, the Funds' Crypto Assets or fiat currency could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Funds is unable to seek a corrective transaction

with such third party or is incapable of identifying the third party which has received the Funds' Crypto Assets or fiat currency (through error or theft), the Funds will be unable to recover incorrectly transferred Crypto Assets or fiat currency, and such losses will negatively impact the Funds.

Certain Crypto Asset exchanges may place limits on the Funds' transactions, or the Funds may be unable to find a willing buyer or seller of Crypto Assets. To the extent the Funds experience difficulty in buying or selling Crypto Assets, investors may experience delays in subscriptions or payment of withdrawal proceeds, or there may be delays in liquidation of the Funds' Crypto Assets adversely affecting the net asset value of the Funds.

Government Oversight of Crypto Assets and Virtual Currency Exchanges

FinCEN—the U.S. federal agency charged with administering U.S. anti-money laundering ("AML") laws and regulations—issued guidance titled, FIN-2013-G001: Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies (Mar. 18, 2013), categorizing convertible virtual currency administrators and exchangers as money services businesses. The FinCEN guidance defines an exchanger as "a person engaged as a business in the exchange of virtual currency for real currency, funds or other virtual currency" and an administrator as "a person engaged as a business in issuing (putting into circulation) a virtual currency and who has the authority to redeem (to withdraw from circulation) such virtual currency." Users of convertible virtual currencies were not directly affected by the guidance. Since the issuance of the guidance, FinCEN has published several administrative rulings, providing additional information on whether certain conduct related to convertible virtual currency renders a person or entity a money transmitter under FinCEN regulations.

The FinCEN guidance and administrative rulings have clear consequences for companies that handle or transact with convertible virtual currencies to a degree in which they are engaged in money transmission. Under FinCEN's regulations, a person or entity engaging in money transmission must register as a "money services business," develop an AML program and adhere to federal reporting and recordkeeping requirements.

In the United States, the essential elements of an AML program are set out, in part, in the Bank Secrecy Act: (1) a system of internal controls; (2) independent testing for compliance; (3) the designation of an individual to coordinate and monitor day-to-day compliance; and (4) training of appropriate personnel. An AML program should establish and implement risk-based policies and procedures designed to prevent facilitation of money laundering or the funding of terrorism, including the reporting of suspicious transactions with FinCEN. Failure of a money services business to register as a money services business, develop and adequately implement an AML program or adhere to federal reporting and recordkeeping requirements may result in severe civil and criminal penalties for the money services business and/or those individuals who operate it.

On the state level, companies that handle Crypto Assets may also have to comply with the separate state licensing practices for money transmitters, and a growing number of states

have sought specific legislation, adopted rules, or provided guidance on the regulation of Crypto Assets.

Risks Relating to Government Oversight

The regulatory schemes—both foreign and domestic—possibly affecting Crypto Assets or a Crypto Asset network may not be fully developed. It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting a Crypto Asset network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use Crypto Assets, or to exchange Crypto Assets for either fiat currency or other virtual currency. It is also possible that government authorities may claim ownership over mathematical Crypto Asset network source codes and protocols or law enforcement agencies (of any or all jurisdictions, foreign or domestic) may take direct or indirect investigative or prosecutorial action related to, among other things, the use, ownership or transfer of Crypto Assets, resulting in a change to its value or to the development of a Crypto Asset network (e.g., the closure and seizure of Silk Road and the closure and seizure of www.libertyreserve.com—the domain name for Liberty Reserve, an online, virtual currency payment processor and money transfer system that the U.S. government alleges acted as a financial hub of the cyber-crime world).

Federal Regulatory Authorities

As described in “Methods of Analysis and Investment Strategies”, the Funds invest in a diversified portfolio of Crypto Assets, as well as Crypto-Related Assets.

The laws regarding Crypto Assets, Crypto Asset Offerings and SAFTs are still evolving and not yet clearly defined. Certain Crypto Assets (including those resulting from Crypto Asset Offerings and SAFTs) may be deemed to be securities or commodities, or neither securities nor commodities.

Buying, selling and trading in the securities of crypto technology or other companies is regulated by the SEC – under U.S. federal securities laws, a company may not issue securities unless the offering is registered with the SEC or an exemption to registration is otherwise available (i.e., the securities are sold through "private placement"). In addition, any resale of securities sold through a "private placement" is generally restricted (unless certain specific exceptions are available). The companies in whose securities the Funds invest may also issue Crypto Assets.

Set forth below is a regulatory overview in respect of Crypto Assets and certain related risks.

CFTC. While the Adviser files as an exempt commodity pool operator, the CFTC has not to date made a formal statement asserting its regulatory authority over Crypto Assets or over any participants in the Crypto Asset networks. In addition, the CFTC has not to date promulgated any regulations specifically addressing Crypto Assets or the activities of participants in Crypto Asset networks. However, as the primary regulator of derivatives (i.e., futures, options and swaps), the CFTC has jurisdiction over all such digital currency-

linked derivatives, including the platforms that list them and the clearinghouses that clear them. While the CFTC regulatory authority over Crypto Assets generally only extends to Crypto Asset derivatives, the CFTC has indicated that it does have a limited level of oversight over direct trading of Crypto Assets. There are now also Crypto Asset derivatives trading on CFTC-regulated exchanges.

SEC. The SEC has advised that, depending on the facts and circumstances of each individual Crypto Asset Offering, the virtual coins or tokens that are offered or sold in a Crypto Asset Offering may be securities. If they are deemed to be securities, the offer and sale of these virtual coins or tokens in a Crypto Asset Offering would be subject to the federal securities laws.

To the extent that Crypto Assets held by the Funds, or issued by an Investment, are unexpectedly deemed to fall within the definition of a security for purposes of U.S. laws and regulations, the Adviser and the Funds will seek to, and such portfolio company will be required to, comply with certain relevant U.S. laws and regulations. Any associated costs may adversely affect an investment in the Funds or the value of such portfolio company.

If Crypto Assets held by the Funds are deemed to be securities and were not anticipated to be such, such Crypto Assets may decline in value and/or be burdensome or costly to transmit (or the Funds may be restricted from selling such Crypto Assets). Furthermore, the offering of such Crypto Assets by a portfolio company (through a Crypto Asset Offering, SAFT, SAFTE and/or otherwise) may be deemed to constitute an unregistered securities offering and sale, resulting in, among other things, penalties and potential litigation that could substantially impact the value of such portfolio company. Such Crypto Assets may decline in value and/or be burdensome or costly to transmit (or the holder of such Crypto Assets may be restricted from selling such Crypto Assets).

Also, it is possible that SAFTs may be considered securities even in situations where the Crypto Assets to be obtained in the future pursuant to a SAFT are not. If they are deemed to be securities, the offer and sale of a right to receive future Crypto Assets pursuant to a SAFT would be subject to the federal securities laws (and the risks described above would apply).

FinCEN. To the extent that the Funds or a portfolio company in which the Funds invest engages in "money services business" activity, including money transmission, as defined by FinCEN, the Funds or the portfolio company, as applicable, may be deemed to fall within the Bank Secrecy Act's definition of a financial institution, and subject to the Bank Secrecy Act, 31 U.S.C. §§ 5311-5314; 5316-5330, and its implementing regulations, and as such required to register with FinCEN as a Money Services Business. The Funds or the portfolio company, as applicable, would also be required to develop an AML program and adhere to federal reporting and recordkeeping requirements. To the extent the Funds or the portfolio company, as applicable, is operating as an unregistered Money Services Business, it may be subject to civil money penalties under 31 U.S.C. § 5321, and/or criminal liability under 31 U.S.C. § 5322 and 18 U.S.C. § 1960, if applicable. Such additional regulatory obligations may cause the Funds or the portfolio company, as applicable, to incur

extraordinary expenses and ongoing expenses, possibly affecting an investment in the Funds in a material and adverse manner. To the extent the Funds or the portfolio company, as applicable, limits or reduces the scope of certain activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision, investments in the Funds may be adversely affected.

State Regulatory Authorities. To the extent that the activities of the Funds or a portfolio company in which the Funds invest cause the Fund or the portfolio company, as applicable, to be deemed a "money transmitter" under State statutes or regulations, the Fund or the portfolio company, as applicable, may incur significant fees in becoming licensed in each State in which it does business, and may also be required to adhere to State statutes or regulations. To the extent that a state requires an additional license or registration for activities involving digital currencies that require the Funds or the portfolio company, as applicable, to obtain a license or register with the state for its activities involving Crypto Assets, it may incur significant fees in becoming licensed/registered in those States, and may also be required to adhere to the State's statutes or regulations. States may impose fines or penalties with respect to any unlicensed activity. Accordingly, to the extent the Funds or the portfolio company, as applicable, is operating without appropriate licenses, it may be subject to fines or penalties, and/or criminal liability under State laws or 18 U.S.C. § 1960, if applicable. Such additional regulatory obligations may cause the Funds or the portfolio company, as applicable, to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Funds in a material and adverse manner. To the extent the Funds or the portfolio company, as applicable, limits or reduces the scope of certain activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision, investment in the Funds may be adversely affected.

Foreign Jurisdiction. Various foreign jurisdictions may adopt policies, laws, regulations or directives that affect Crypto Assets or a Crypto Asset network, generally. Such additional foreign regulatory obligations may cause the Funds or the portfolio companies in which the Funds invest to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Funds in a material and adverse manner.

Increased Regulatory Oversight

Increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers, especially with respect to private investment funds investing in Crypto Assets (such as the Funds) and their managers (such as the Adviser), may impose administrative burdens on the Adviser, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Adviser's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Investment and Due Diligence Process

Before making investments, the Adviser will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Adviser may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources reasonably available to it, which in some circumstances, whether or not known to the Adviser at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

Dependence on Counterparties and Service Providers

The Funds are dependent upon its counterparties (including Crypto Asset custodians, wallet providers and exchanges) and the businesses that are not controlled by the Adviser that provide services to the Funds (the "Service Providers"). Examples of Service Providers include the Administrator, Legal Counsel and the Auditors. Errors are inherent in the business and operations of any business, and although the Adviser will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. In particular, the Funds' technology diligence on blockchain counterparties may not identify all security vulnerabilities and risks, which is especially pertinent given the limited (but growing) number of viable blockchain counterparties (see "Qualified Custodian" below). Any errors or misconduct could have a material adverse effect on the Funds and the limited partners' investments therein.

Price Volatility

A principal risk in trading Crypto Assets is the rapid fluctuation of their market price. The value of a limited partner's Capital Account balance relates directly to the value of the Crypto Assets held in the Funds and fluctuations in the price of Crypto Assets could adversely affect the net asset value of the Funds and a limited partner's Capital Account. There is no guarantee that the Funds will be able to achieve a better than average market price for Crypto Assets or will purchase Crypto Assets at the most favorable price available. The price of Crypto Assets achieved by the Funds may be affected generally by a wide variety of complex and difficult to predict factors (for example: supply and demand or political, natural and economic events).

To the extent the public demand for Crypto Assets were to decrease, or the Funds were unable to find a willing buyer, the price of Crypto Assets could fluctuate rapidly and the Funds may be unable to sell the Crypto Assets in its possession or custody. Limited partners will be subject to the risk of price fluctuations of Crypto Assets until they are fully withdrawn from the Funds. Further, if the supply of Crypto Assets available to the public were to increase or decrease suddenly due to, for example, a change in a Crypto Asset's source code, the dissolution of a Crypto Asset exchange, or seizure of Crypto Assets by government authorities, the price of Crypto Assets could fluctuate rapidly. Such changes in demand and supply of Crypto Assets could adversely affect an investment in the Funds. In addition, governments may intervene, directly and by regulation, in the Crypto Asset market, with the specific effect, or intention, of influencing Crypto Asset prices and valuation (e.g., releasing previously seized Crypto Assets). Similarly, any government action or regulation may indirectly affect the Crypto Asset market or Crypto Asset network, influencing Crypto Asset use or prices. To the extent a Crypto Asset is used in an in-protocol utility mechanism

in such a way as to incur a "slashing condition" (i.e. to violate a rule of protocol inaction or misaction) some or all of that Crypto Asset may be destroyed.

The Funds will compete with direct investments in Crypto Assets and other potential financial vehicles backed or linked to Crypto Assets. Any change in market and financial conditions, or other conditions beyond the Funds' control, may make investment and speculation in Crypto Assets more attractive, which could limit the supply of Crypto Assets and increase or decrease liquidity.

Performance of Crypto Assets

In the event the types of Crypto Assets held by the Funds perform less well than competing Crypto Assets, such Crypto Assets held by the Funds may be devalued or fall into disuse, adversely affecting the Funds.

Destruction of Crypto Assets

Certain Crypto Assets are intended to be controllable only by the possessor of both the unique public and private keys. To the extent private keys relating to the Funds' Crypto Asset holdings are lost, destroyed or otherwise compromised, the Funds may be unable to access the related Crypto Assets and such private keys are not capable of being restored by a Crypto Asset network. Any loss of private keys relating to digital wallets used to store the Funds' Crypto Assets could adversely affect an investment in the Funds. Further, Crypto Assets are typically transferred digitally, through electronic media not controlled or regulated by any entity. To the extent a Crypto Asset transfers erroneously to the wrong destination, the Funds may be unable to recover the Crypto Asset or its value. Such loss could adversely affect an investment in the Funds.

Irrevocable Crypto Asset Transactions

Just as a blockchain (or similar technology) creates a permanent, public record of Crypto Asset transactions, it also creates an irrevocable one. Transactions that have been verified, and thus recorded as a block on the blockchain (or similar technology), generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Crypto Assets, the transaction is not reversible. The Funds may be unable to replace missing Crypto Assets or seek reimbursement for any erroneous transfer or theft of Crypto Assets. To the extent that the Funds are unable to seek redress for such action, error or theft, such loss could adversely affect an investment in the Funds.

Security of Crypto Asset Networks

Techniques to secure the blockchains of Crypto Asset networks are recent inventions and may fail. For example, the incentives that keep a blockchain decentralized may prove insufficient, thus impacting the value or security of Investment held by the Funds. Exploits in various blockchains may occur which result in losses for the Funds.

Third Party Wallet Providers

The Funds intend to use third party wallet providers to hold the Funds' Crypto Assets. The Funds may have a high concentration of its Crypto 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' Crypto Assets. The Funds' technology diligence on such third party wallet providers may not identify all security vulnerabilities and risks. Certain third party wallet providers may not indemnify the Funds against any losses of Crypto Assets. Crypto 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 Crypto Assets. The Funds may also incur costs related to third party storage. Any security breach, incurred cost or loss of Crypto Assets associated with the use of a third party wallet provider, may adversely affect an investment in the Funds.

Security

The Funds intend to use third party wallet providers to secure the Funds' Crypto Assets. The wallet provider or the Funds may employ various methods to safeguard Crypto Asset holdings including "cold storage" or "deep storage," which may increase the time required to access certain Crypto Assets, and may, therefore, delay liquidation of the Funds' Crypto Assets or payment of withdrawal proceeds, which could have a material adverse effect on the net asset value of the Funds. The systems in place to secure the Crypto Assets may not prevent the improper access to, or damage or theft of the Funds' Crypto Assets. Further, a security breach could harm the Funds' reputation or result in the loss of some or all of the Funds' Crypto Assets. Any such security breach or leak of non-public information relating to the security of Crypto Assets may adversely affect an investment in the Funds.

Hackers

Hackers or malicious actors may launch attacks to steal, compromise, or secure Crypto Assets, such as by attacking Crypto Asset network source code, exchange servers, third-party platforms, cold and hot storage locations or software, or Crypto Asset transaction history, or by other means. As the Funds increase in size, it may become a more appealing target of hackers, malware, cyber-attacks or other security threats. The Funds will undertake efforts to secure and safeguard the Crypto Assets in its custody from theft, loss, damage, destruction, malware, hackers or cyber-attacks, which may add significant expenses to the operation of the Funds. There can be no assurance that such securities measures will be effective. The Funds may be unable to replace missing Crypto Assets or seek reimbursement for any theft of Crypto Assets, adversely affecting an investment in the Funds.

Lack of Transparency

Given the type and extent of the security measures necessary to adequately secure Crypto Assets, the limited partners will not fully know how the Funds store or secure its Crypto Assets or the Funds' complete holding of Crypto Assets at any time.

Reliance on Crypto Asset Service Providers

Due to audit and operational needs, there will be individuals who have information regarding the Funds' security measures. Any of those individuals may purposely or inadvertently leak such

information. Further, several companies and/or institutions may provide support to the Funds related to the buying, selling, and storing of Crypto Assets. To the extent service providers no longer support the Funds or cannot be replaced, an investment in the Funds may be adversely affected.

Network Integrity and Security

While the Adviser undertakes efforts to ensure the highest levels of data protection and information assurance internally (using industry-leading best practices for data storage and transmission, the strongest cryptography known and available to the private sector, and stringent internal controls on data and communications), at some points during the act of transferring Crypto Assets into or out of the Funds' platform (during Download or Upload) the Funds' platform requires interfacing with outside entities whose methods, practices and standards may be outside of the Funds' control or who may be under the influence of bad actors. Events may occur where corrupted Crypto Assets, viruses and/or attachments are introduced into the Funds' platform, which could compromise the Funds' operation or result in loss of Crypto Assets, adversely affecting an investment in the Funds.

There exists the possibility that while acquiring or disposing of Crypto Assets, the Funds will unknowingly engage in transactions with bad actors, some of whom are under the scrutiny of government investigative agencies. As such, the Funds' systems or a portion thereof may be taken off-line pursuant to legal process such as the service of a search and/or seizure warrant. Such action could result in the loss of Crypto Assets previously under the Funds' control.

The development team and administrators of a Crypto Asset network's source code could propose amendments to the network's protocols and software that, if accepted and authorized, or not accepted, by the Crypto Asset network community, could adversely affect the supply, security, value, or market share of the Crypto Assets, and thus an investment in the Funds. Further the Funds may be adversely affected by a manipulation of a Crypto Asset source code.

Malicious Actor or Botnet

Malware is software used or programmed by malicious actors to disrupt computer operation, gather sensitive information or gain access to private computer systems. "Botnet" refers generally to a group of computers that use malware to compromise computers whose security defenses have been breached. To the extent that a malicious actor, cyber-criminal, computer virus, hacker, or botnet (e.g., ZeroAccess) obtains a majority of the processing power on a Crypto Asset network; alters the source code and block chain on which all of a Crypto Asset's transactions rely; or prevents the use, transfer, ownership, or integrity of a Crypto Asset, an investment in the Funds could be adversely affected.

Legal Claims

To the extent that the creation, use or circulation of, or investment in, Crypto Assets, a Crypto Asset network generally, or a Crypto-Related Asset, violates any foreign or domestic statute or regulation (such as the Stamp Payments Act of 1862 or US. federal counterfeiting statutes), or government prohibition, or government, quasi-government, or private-individuals assert intellectual property claims against Crypto Asset network source code or related mathematical algorithms, the Funds could be adversely affected. To the extent that any individual, institution,

government or other authority asserts a legal claim, including a claim of ownership or wrongful possession, over the Crypto Assets in the custody of the Funds, or the Crypto-Related Asset in which the Funds invest, the Funds could be adversely affected. Regardless of its merit, such legal action may adversely affect an investment in the Funds. Further, to the extent that a blockchain technology company in which the Funds invest engages in activity that is not legally recognized (e.g., smart contract is not recognized as a valid contract under applicable contract law), the Funds could be adversely affected.

Risks of Uninsured Losses

Though the Funds may seek to insure its Crypto Asset holdings or Crypto-Related Assets, it likely will not be possible, either because of a lack of available policies or because of prohibitive cost, for the Funds to obtain insurance of any type that would cover losses associated with Crypto Assets or Crypto-Related Assets. If an uninsured loss occurs or a loss exceeds policy limits, the Funds could lose a portion or all of its assets.

Qualified Custodian

Under the Advisers Act, SEC registered investment advisers are required to hold securities with "qualified custodians". Certain Crypto Assets may be deemed to be securities.

Currently, many Crypto Asset custodial services may fall outside of the SEC's definition of "qualified custodian", and many long-standing, prominent qualified custodians do not provide custodial services for Crypto Assets or otherwise provide such services only with respect to a limited number of actively traded Crypto Assets. Accordingly, the Funds may use non-qualified custodians to hold all or a portion of its Crypto Assets. If the SEC is not satisfied with this approach, it is possible that the Funds will be required to custody assets in a manner that the Adviser believes to be less secure or to divest such assets that are deemed to be securities.

Blockchain Related Risks Generally

Blockchain Technology May Not Prove Disruptive

Blockchain-led transformations may not be adopted or proven for many years. To date, blockchain technology adoption has not yet overtaken incumbent firms, processes or financial serviced offerings. It may take decades for blockchain technologies to be integrated with economic infrastructure and for Crypto Asset companies and businesses to become profitable.

Legal Uncertainty

There is legal uncertainty in the United States and in foreign jurisdictions regarding how to govern and regulate blockchain technology and blockchain technology companies. For example, Arizona lawmakers passed a law recognizing blockchain based signatures and smart contracts, and that allows enterprises in the state to store their information in a blockchain-based system. Similarly, Delaware lawmakers passed a law in 2017 that provides a legal basis for trading stocks on a blockchain. Further, in April 2018, twenty-two European Union members created a blockchain partnership under the European Union

Commission to exchange information on the use of blockchain technology in an attempt to create opportunities for adopting blockchain applications across the European Union. To the extent that blockchain technology, blockchain technology companies or Crypto-Related Assets invested in or held by the Funds are unexpectedly regulated under U.S. or foreign laws and regulations, the Funds and any investment in the Funds could be adversely affected. Further, to the extent that the Adviser and the Funds, or an Investment, are required to comply with certain laws and regulations, any associated compliance costs with such laws and regulations may adversely affect an investment in the Funds or the value of a portfolio company.

Technology and Operational Failures

Companies and business processes built on blockchain technology may be vulnerable to technology and operational failures. Any given blockchain technology or project's consensus mechanism, cryptography, or user interaction points may fail for any number of reasons (theoretical, economic, technical, etc.), individually or in concert with other projects sharing similar characteristics or code. Accordingly, entities relying on such processes may need a robust business continuity plan and governance framework to mitigate risks. To the extent that any blockchain technology company or Crypto-Related Asset in which the Funds invest is subject to a technological or operational failure, the Funds and any investment in the Funds could be adversely affected.

Blockchain Technology Companies and other Crypto-Related Assets

Risk of Early Stage Companies

Investments in companies at an early stage of development, including those involved with blockchain technology and Crypto-Related Assets, involve a high degree of business and financial risk. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses.

Small Companies

The Funds' investments in Crypto-Related Assets may be made in unregistered securities of small companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies.

Distressed Companies

The Funds may invest in companies that are financially leveraged or troubled or potentially troubled and may be or have recently been involved in restructurings, bankruptcy,

reorganization or liquidation. Securities of such companies are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. As a result, the Funds may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard which is a prerequisite to the Funds' investment in any security. Securities in which the Funds may invest may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of whose debt securities may be secured by substantially all of the issuer's assets. Moreover, the Funds may invest in securities that are not protected by financial covenants or limitations on additional indebtedness. While leverage presents opportunities for increasing a portfolio company's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the portfolio company's net assets will decrease. Accordingly, any event which adversely affects the value of a portfolio company would be magnified to the extent a portfolio company is leveraged.

Provision of Managerial Assistance; Control Positions.

The Funds, the Adviser and/or their respective affiliates may serve on, or designate members to serve on, the supervisory boards or boards of directors of portfolio companies. Serving on such bodies and/or designation of supervisory board members and of directors and other measures contemplated exposes the Adviser and/or their respective affiliates and, ultimately, the Funds to potential liability and exposes the assets of the Funds to claims by an investment, the portfolio company, its security holders and its creditors.

Minority Investments

The Funds may make minority investments in entities where the Funds may not be able to protect its investments or to control or influence effectively the business or affairs of such entities. The Funds may be adversely affected by actions taken by the majority holder(s) of the investments in which it invests.

Crypto Portfolio Funds

The Funds may invest a portion of its assets in Crypto Portfolio Funds, including, with the approval of their respective advisory committees, where additional performance compensation and/or management fees would be borne by the Funds and payable/allocable to the general partner, managing member, adviser or other person serving in a similar capacity of such Crypto Portfolio Fund(s).

Two Layers of Fee/Performance-Based Compensation

In addition to the Management Fee and the Incentive Allocation, limited partners may indirectly bear both asset-based fees and performance-based fees or allocations of any Crypto Portfolio Funds, even during a period when the Funds' overall capital depreciated.

Withdrawals from Crypto Portfolio Funds; In-Kind Distributions

The Funds may have limited rights pursuant to which it may withdraw, transfer or otherwise liquidate its investments in Crypto Portfolio Funds and Crypto Portfolio Funds also may be permitted to make distributions in kind with respect to withdrawals.

Crypto Portfolio Fund Valuation

Interests in Crypto Portfolio Funds will generally be valued in accordance with the valuations provided by such Crypto Portfolio Funds, which are typically based on the interim unaudited financial records of the Crypto Portfolio Fund and subject to adjustment (upward or downward) upon the auditing of such financial records.

Crypto Portfolio Fund Risks

The general partners, managing members, advisers or other persons serving in a similar capacity of a Crypto Portfolio Fund, and Crypto Portfolio Funds generally, are subject to various risks, including risks typically associated with managing investment funds, as well as any additional risks relating to Crypto Assets and Crypto-Related Assets.

Risks Relating to the Operations and Investment Activities of the Funds

Systems and Operational Risks Generally

The Funds depend on the Adviser to develop and implement appropriate systems for the Funds' activities. The Funds rely heavily and on a daily basis on data processing systems to make transactions and to evaluate certain Investments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Funds' activities. In addition, the Funds rely on information systems to store sensitive information about the Funds, the Adviser, their affiliates and the limited partners. Certain of the Funds' and the Adviser's activities will be dependent upon systems operated by third parties, including the Administrator, counterparties and other service providers, and the Adviser may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Adviser, the Administrator, counterparties, exchanges, third-party wallet providers and other parties could result in mistakes made in the making of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Funds' operations may cause the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the limited partners' investments therein.

Cybersecurity Risk

As part of its business, the Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally

identifiable information of the limited partners. Similarly, service providers of the Adviser, the Funds, especially the Administrator, may process, store and transmit such information. The Adviser has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Adviser may be susceptible to compromise, leading to a breach of the Adviser's network. The Adviser's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Adviser to the limited partners may also be susceptible to compromise. Breach of the Adviser's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the limited partners to be lost or improperly accessed, used or disclosed.

The service providers of the Adviser, the Funds are subject to the same electronic information security threats as the Adviser. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the limited partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Adviser's or the Funds' proprietary information may cause the Adviser or the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the limited partners' investments therein.

Valuation of Assets and Liabilities

The Funds' assets and liabilities are valued in accordance with the Adviser's valuation policy. The valuation of any asset or liability involves inherent uncertainty. The value of an Investment determined in accordance with the Adviser's valuation policy may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the applicable market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the Funds if the judgments of the Adviser regarding the appropriate valuation should prove to be incorrect.

Audits of Crypto Asset Funds

Audits for investment funds holding Crypto Assets are unlike audits for other types of investment funds. Special procedures must be taken to assess whether investments and transactions are properly accounted for and valued because independent confirmation of Crypto Asset ownership (e.g., ownership of a balance on a Crypto Asset exchange) differs dramatically from traditional confirmation with a securities broker or bank account. The Funds, the Adviser and the Administrator will need to have satisfactory processes in place in order for the Auditor to obtain the Funds' transaction history and properly prepare audited financials. Any breakdown in such

processes may result in delays or other impediments of an audit. In addition, the complexity of Crypto Assets generally may lead to difficulties in connection with the preparation of the Funds' audited financials.

Competition; Availability of Investments

The "blockchain" market in which the Funds will invest is becoming extremely competitive. As a result, there can be no assurance that the Adviser will be able to identify or successfully pursue certain investment opportunities.

Volatility Risk

The Funds' investment program will involve the purchase and sale of volatile Investments and/or investments in a volatile market. Fluctuations or prolonged changes in the volatility of such Investments and/or markets can adversely affect the value of investments held by the Funds.

Co-Investments with Third Parties

The Funds may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Funds or is in a position to take (or block) action in a manner contrary to the Funds' investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

Risks Relating to Market Conditions Generally

General Economic and Market Conditions

The success of any private investment fund's activities may be affected by general economic and market conditions, such as economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), and national and international political circumstances (including wars, terrorist acts or security operations), although the success of Fund's blockchain-focused investment strategy may be uncorrelated to changes in general economic and market conditions.

Governmental Interventions

Extreme volatility and illiquidity in markets has in the past led to extensive governmental interventions in equity, credit and currency markets, and it is possible that similar interventions may occur in the market(s) for Crypto Assets and/or Crypto-Related Assets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be

imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Funds' strategy.

Brexit

The United Kingdom has notified the European Council of its intention to withdraw from the European Union. The ongoing withdrawal process could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on the Funds or the Adviser from an economic, financial or regulatory perspective but any such impact could have material consequences for the Funds.

MiFID II

The package of European Union market infrastructure reforms known as "MiFID II", in effect from January 3, 2018, is expected to have a significant impact on the European capital markets.

MiFID II increases regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II has brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets, and may result in significant increases in transaction costs.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of the Adviser to execute the investment program.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

A limited liability company (the "General Partner") serves as general partner of the Funds. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partner, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser maintains a written Code of Ethics that is applicable to all of its officers, directors, principals, members, and employees (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, including Crypto Assets, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are required to file certain periodic reports with the Adviser’s Chief Compliance Officer (“CCO”) as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest. Adviser Personnel who violate the Code of Ethics may be subject to sanctions. Adviser Personnel are also required to promptly report any suspected or actual violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Paradigm Operations LP 251 Post Street Suite 620 San Francisco, CA 94108.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser may invest in and alongside the Funds, either through the General Partner, as direct investors in a Fund or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Management Fee and Incentive Allocations related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser engages in a broad range of activities, including investment activities for its own account and providing transaction-related, investment advisory, management and other services to the Funds and their investments. In the ordinary course of conducting its activities, the interests of the Funds will from time to time conflict with the interests of the Adviser. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of the Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Fund;
- (3) Generally, each Fund has established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. An advisory committee meets as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an independent securities or "blockchain expert" to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

In addition, certain provisions of a Fund's Organizational Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to the Funds and their ability to achieve its investment objectives.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocations of Trades and Investment Opportunities

The Adviser maintains written policies and procedures relating to the allocation of investment opportunities, and makes allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements may be set forth in the instrument under which the Funds were established (such as a Fund’s Organizational Documents).

In the event that the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

To the extent the Adviser in the future manages more than one Fund (including any other accounts), it will be the policy of the Adviser to allocate investment opportunities to the Funds and to any other Funds on a fair and equitable basis, to the extent practical and in accordance with the Funds’ applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those Funds for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with an Account’s objectives; (ii) the potential for the proposed investment to create an imbalance in an Account’s portfolio; (iii) the liquidity requirements of an Account; (iv) potentially adverse tax consequences; (v) regulatory restrictions that would or could limit an Account’s ability to participate in a proposed investment; and (vi) the need to re-size risk in an Account’s portfolio. Accordingly, there can be no assurance the Funds will be allocated all opportunities that fall within their investment objectives.

The Adviser will have no obligation to purchase or sell an Investment for, enter into a transaction on behalf of, or provide an investment opportunity to, a Fund solely because the Adviser purchases or sells the same Investment for, enters into a transaction on behalf of, or provides an opportunity to, another Fund, if in its reasonable opinion, such Investment, transaction or investment opportunity does not appear to be suitable, practicable or desirable for such Fund.

Co-Investments and Secondary Transactions

The Adviser and its affiliates may, from time to time, offer one or more limited partners or investors in the Funds and/or other third-party investors the opportunity to co-invest with the Funds in particular investments. The Adviser and its affiliates are not obligated to arrange coinvestment opportunities, and no limited partner will be obligated to participate in such an opportunity. The Adviser and its affiliates have sole discretion as to the amount (if any) of a coinvestment opportunity that will be allocated to a particular limited partner and may allocate coinvestment opportunities instead to investors in other Funds or accounts or to third parties. If the Adviser determines that an investment opportunity is too large for the Funds, the Adviser and its affiliates may, but will not be obligated to, make proprietary investments therein. The Adviser or its affiliates may receive fees and/or allocations from co-investors, which may differ as among co-investors and also may differ from the fees and/or allocations borne by the Funds.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in a Fund, in the sole discretion of the Adviser or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested, and (iv) certain persons other than investors in a Fund (e.g., funds managed by another investment adviser in which the Adviser's managing members has an ongoing role, consultants, joint venture partners, persons associated with an Investment and other Third Parties) rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds, and other potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the Funds without harming or otherwise prejudicing the Funds, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;

- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which the Funds wish to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of the Funds being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to the relevant Fund or future funds and/or the Adviser.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above may not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the applicable Fund or that expenses incurred by such Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to a Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- Requirements in a Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into a future fund may be considered, but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Conflicts Related to Purchases and Sales

While the Adviser currently manages only one Fund, to the extent the Adviser in the future manages multiple Funds, such Funds may from time to time invest in the same Investment, including at different levels of the Investment's capital structure. Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a

transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure, including in cryptocurrency tokens issued by such portfolio company. Conflicts may arise in determining the terms of investments. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. Investments by more than one Fund in a portfolio company or cryptocurrency issued by a portfolio company may also raise the risk of using assets of a Fund to support positions taken by other Funds, or that a client may remain passive in a situation in which it is entitled to vote. The Adviser may also express inconsistent or contrary views of commonly held investments or of market conditions more generally. Employees and related persons of the Adviser have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested. A conflict of interest arises because one Fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

From time to time the Adviser may, in its discretion, enter into transactions with investors in a Fund to dispose of all or a portion of certain investments held by the Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider some or all of the factors listed above under *"Allocation of Co-Investment Opportunities and Secondary Transactions"*. The sale price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sale prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sale transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the Funds, taking into account the sale price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Organizational Documents of the applicable Fund(s).

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances a Fund may also enter into limited guarantee arrangements whereby, subject

to any applicable documentation, a Fund agrees that if a transaction with respect to a potential investment is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity. While certain co-investment vehicles with investments contractually tied to a Fund (including co-investment vehicles through which employees of the Adviser participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee (whether pursuant to the applicable Funds' Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Funds would be held responsible for the entire equity purchase price or reverse termination fee, as applicable.

Principal Transactions

To the extent that Cross Trades may be viewed as principal transactions (as such term is used under the Advisers Act) due to the ownership interest in an account by the General Partner, the Adviser or its personnel, the General Partner and the Adviser will comply with the requirements of Section 206(3) of the Advisers Act. In connection with principal transactions, Cross Trades and related-party transactions, and other transactions and relationships involving potential conflicts of interest described in a Fund's Organizational Documents, an advisory committee will be authorized, on behalf of a Fund and the limited partners, to approve or disapprove, to the extent required by applicable law or deemed advisable by the General Partner (and as set forth in a Fund's Organizational Documents), such transactions and conflicts of interest. An advisory committee may approve of such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, their consummation. In no event will any such transaction be entered into unless it complies with applicable law.

The Adviser may determine that it would be in the best interests of a Fund and one or more other Funds to transfer an Investment from one Fund to another Fund (each such transfer, a "Cross Trade") for a variety of reasons, including tax purposes, liquidity purposes, to rebalance the portfolios of the Accounts, or to reduce transaction costs that may arise in an open market transaction. If the Adviser decides to engage in a Cross Trade, the Adviser will determine that the trade is in the best interests of both of the Accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Accounts.

Other Activities of the Adviser and its Affiliates

Subject to limitations set forth in a Fund's Organizational Documents, each Principal may devote less than all of his business time to the activities of a Fund. Accordingly, conflicts of interest may arise from the fact that the Adviser, the Principals and their affiliates may in the future provide investment management services to other Funds or accounts. A Fund will not typically have an interest in any other Funds.

Funds may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of other Funds, or may compete with or have interests adverse to the Funds. Such conflicts could affect the prices and availability of Investments in which the Funds invest. Even if an one Fund has investment objectives, programs or strategies that are similar to those of another Fund, the Adviser may give advice or take action with respect to the investments held by,

and transactions of, the one Fund that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, another Fund for a variety of reasons, including differences between the investment strategy, financing terms, regulatory treatment and tax treatment of a Fund. As a result, Funds may have substantially different portfolios and investment returns. Conflicts of interest may also arise when the Adviser makes decisions on behalf of a Fund with respect to matters where the interests of the Adviser or one or more Funds differ from the interests of such Fund.

Management of the Fund

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Funds.

Liquidation of Assets of Other Funds and Other Classes

The Adviser and their affiliates may provide investment management services to other Funds (including managed accounts and investment funds formed for a single investor or group of affiliated investors (each such fund, a "Fund of One")) that may have investment objectives, programs or strategies that are similar to those of the Funds, which could result in significant overlapping investments among the Funds. In addition, such multiple Funds may have different or additional terms in an Investment, including different fees, information rights and liquidity rights (including the right to wind down and terminate a managed account or Fund of One without cause). Additional information may affect an investor's decision to invest additional capital in, to remain invested in, to withdraw from or to terminate the Funds. Any such withdrawals or terminations could cause any such Funds to liquidate its investments ahead of the Funds, which may have a material adverse effect on the Funds and the limited partners' investments therein. Similarly, to the extent that the Funds establish classes of interests with different liquidity rights, certain limited partners may be able to act on information before any limited partner that has less frequent liquidity rights.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to an Investment) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser will from time to time, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, may have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities, Crypto Assets, or other instruments that the Adviser has recommended to Funds. Officers, principals and employees of the Adviser may also buy securities Crypto Assets in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of a Fund. In such circumstances, the investing Adviser personnel will not share or reimburse the Funds and/or the Adviser for any expenses incurred in connection with the investment opportunity. In addition, officers and employees may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they will have conflicting interests with respect to these investments. While the significant interests of the officers and employees of the Adviser generally align the interest of such persons with the Funds, such persons may have differing interests from the Funds with respect to such investments (for example, with respect to the availability and timing of liquidity).

Because certain expenses are paid for by the Funds and/or their portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing the Funds or its portfolio companies to incur) such expenses.

The Adviser Could Have Different Compensation Arrangements with Other Funds or Accounts

The Adviser could be subject to a conflict of interest because varying compensation arrangements among the Funds and other accounts could incentivize the Adviser to manage such Funds and other accounts differently. These and other differences could make a Fund less profitable to the Adviser than certain other Funds or accounts.

Valuation

The Funds' assets and liabilities are valued in accordance with the Adviser's valuation policy. In making valuation determinations, the Adviser may be deemed subject to a conflict of interest, as the valuation of such assets and liabilities affects its compensation and the compensation of the General Partner. There is no guarantee that the value determined with respect to a particular asset or liability by the Adviser will represent the value that will be realized by the Funds on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment.

Investments by the Principals and Employees of the Adviser in the Funds or Other Accounts

The Principals and certain employees invest in Funds. Such investors may be in possession of information relating to the Funds that is not available to other limited partners and prospective limited partners. The Principals and employees of the Adviser are not required to keep any minimum investment in each Fund and may invest in other Funds or accounts. It is expected that, if such investments are made, the size and nature of these investments will change over time without notice to the limited partners. Investments by the Principals and employees of the Adviser in the Funds could incentivize the Principals and employees of the Adviser to increase or decrease the risk profile of the Funds.

Investment by the Adviser's Principals In Kind

The Adviser and the Principals from time to time contribute Crypto Assets and/or Crypto-Related Assets to the Funds (in lieu of cash). In such cases, the valuation of such contributed assets will be determined in accordance with the Adviser's valuation policy. See "Valuation" above for a discussion of the conflicts relating to valuation by the Adviser. There is no guarantee that the Adviser's valuation of an asset contributed to the Fund accurately reflects the value of such asset.

Incentive Allocation

The Funds' General Partner will receive the performance-based Incentive Allocations in connection with the management of the Funds. The Incentive Allocation is not the product of an arm's-length negotiation with any third party, and, because the Incentive Allocation is calculated on a basis which includes unrealized appreciation of the Funds' assets, it may be greater than if such compensation were based solely on realized gains. The Incentive Allocation may give rise to potential conflicts of interest, including the following:

Allocation of Investment Opportunities

The Incentive Allocation may create an incentive for the Adviser to direct the best investment ideas to, or to allocate or sequence trades in favor of, (i) Funds with performance compensation arrangements over Accounts that are not charged, or from which the General Partner or the Adviser will not receive (e.g., because the Account is below its high water mark), performance compensation, and (ii) Accounts from which the General Partner or the Adviser will receive a greater performance compensation over Accounts from which the General Partner or the Adviser will receive lesser performance compensation.

Valuation

The Incentive Allocation may create an incentive for the Adviser to provide biased valuations.

Risk

The Incentive Allocation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case if a performance based compensation arrangement were not in effect.

Timing and Realization of Investments

The Incentive Allocation may create an incentive for the Adviser to time investments, and the realization of investments, so as to maximize the Incentive Allocation rather than the return of the Funds.

Due to a recent change in U.S. tax laws, there could be an incentive for the Adviser to cause the Funds to hold securities for longer than three years in order for the General Partner to receive "long-term capital gain" tax rates with respect to its Incentive Allocation, although other U.S.-taxable investors can achieve long-term capital gain tax rates on securities held for longer than one year, and the holding period does not generally have relevance for the tax treatment of investors who are not subject to U.S. income taxation. This dichotomy creates a potential conflict between the interests of the General Partner and the interests of other investors in the Funds.

Special Investments

Certain other conflicts of interest may exist during a period when the limited partners' Capital Accounts are "under water". For example, the Adviser may be incentivized to (i) deem an Investment to be a Special Investment to avoid unrealized losses on such Investment being taken into account for purposes of determining the Incentive Allocation, or (ii) realize, or deem a realization of (in consultation with an advisory committee), a Special Investment prematurely to lower the balance in (x) an account that tracks the losses that must be recouped before Incentive Allocations can be made to the capital account of the General Partner with respect to a limited partner's capital account (a, "Loss Recovery Account") or (b) a modified Loss Recovery Account made at the beginning of any fiscal year.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Investment of Crypto Assets Developed by Portfolio Companies

The Adviser from time to time causes a Fund to purchase Crypto Assets developed or offered by portfolio companies of one Fund or another Fund. The Adviser may be incentivized to purchase (and not divest) Crypto Assets developed or offered by portfolio companies of one Fund, which raises a conflict of interest in that such arrangement may be more advantageous for the applicable portfolio company than to another Fund that is investing in the Crypto Assets.

Investments in Crypto Assets / Crypto-Related Assets by Adviser Personnel

The policies of the Adviser place restrictions on personal investments by employees. Generally, subject to restrictions and exceptions set forth in a Fund's Organizational Documents, the Principals and employees of the Adviser will not personally make new investments in Investments; provided that the Principals and employees of the Adviser may purchase Public Crypto Assets (such as Bitcoin and Ether) for personal use only, subject to limitations. In addition, as described herein, the General Partner (and, in turn, the Principals in their capacity as members of the General Partner) and the Principals (in their capacity as limited partners of the Funds) may receive and retain withdrawal proceeds from the Funds in kind.

The Principals and employees of the Adviser have, in some cases, prior investments, purchased before joining the Adviser, in Crypto and Crypto-Related Assets which may also be positions held by the Funds.

The Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Funds. These activities may adversely affect the prices and availability of other Investments held by or potentially considered for purchase by the Funds.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of selecting such portfolio company to provide services to the Adviser, a Fund, or a Fund's other portfolio companies, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser has a conflict of interest in making such recommendations, as the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by a Fund and/or its portfolio companies receiving the service.

The Adviser may have an incentive to recommend the products or services of certain investors or prospective investors in a Fund, certain Third Parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by the Funds may provide services to certain Fund investors. The Adviser may have an incentive to cause the portfolio company to favor those investors relative to

other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Funds. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In addition, certain portfolio companies controlled by a Fund may engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Advisers and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Funds' investments and may vary from the Funds' interests (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Funds).

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another portfolio company. In providing advice to a portfolio company's business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that are not subject to the Management Fee offset provisions described herein. For example, the Adviser may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise

affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Service Providers Generally

Conflicts of interest may arise from the fact that Service Providers or their affiliates from time to time provide services to, or have business, financial, personal or other relations with (i) other private funds with investment programs similar to that of the Funds or (ii) the Adviser or any of its affiliates. Any Service Provider or any affiliate of a Service Provider may be an investor in the Funds, a source of investment opportunities or a co-investor or commercial counterparty or entity in which the Adviser has an investment. It is customary for a Service Provider to charge different rates or have different terms for different types of services.

Selection of Blockchain Service Providers and Investment in Blockchain Counterparties and Service Providers

The Adviser may be subject to conflicts relating to its selection of blockchain intermediaries, exchanges and counterparties on behalf of the Funds. Portfolio transactions for the Funds will be allocated to intermediaries, exchanges and counterparties on the basis of numerous factors and not necessarily lowest pricing. Intermediaries, exchanges and counterparties may provide other services that are beneficial to the Adviser or one Fund, but not necessarily beneficial to another Fund. Limited partners will have no right to request which intermediaries, exchanges and counterparties the Funds transact with or invest in, and should not expect the Funds to accommodate any such requests.

The Adviser may be incentivized to cause the Funds to invest in businesses that establish third party wallets and exchanges, including business that focus on storage, security and custody of Crypto Assets, particularly where the Funds use such services. In such cases, businesses in which one Fund invests may receive compensation from another Fund when effecting Crypto Asset transactions. In addition, to the extent that one Fund invests in Crypto Asset exchanges (through their tokens), the Adviser may have an interest in causing another Fund to make equity investments in such companies.

Conflicts Relating to a Principal's Relationship with Coinbase

One of the Principals currently serves as a director of Coinbase (a digital currency exchange headquartered in San Francisco) and, in the course of such service, from time to time receives information with respect to the Funds' Investments, potential Investments, Crypto Assets or Crypto-Related Assets. In such circumstances, the Funds may be prohibited by law, policy or contract, for a period of time, from (i) investing in certain assets or categories of assets, or pursuing certain investment opportunities, (ii) selling an Investment and (iii) taking any larger position in an existing Investment, which in each case may adversely affect the Funds and their investors. In addition, to the extent the Principals or employees of the Adviser receive similar information as a result of any board or council-member service at other companies or entities, similar investment restrictions may apply.

The Funds may compete with Coinbase Ventures (an investment arm of Coinbase that invests in cryptocurrency and blockchain startups) for investment opportunities. As described above, one of

the Principals currently is currently a director of, and holds a financial interest in, Coinbase and therefore, subject to requirements set forth in a Fund's Organizational Documents regarding allocation of investment opportunities, would experience a conflict of interest regarding the allocation of investment opportunities that may be appropriate for both a Fund and Coinbase Ventures or with respect to the terms of any Investment to the extent a Fund and Coinbase Ventures participate in the same Investment.

Such Principal holds common stock of Coinbase. Accordingly, the Adviser may be incentivized to store Crypto Assets with, and conduct its exchange-based trading in Crypto Assets on, Coinbase (and use Coinbase for other services in the future).

Certain Funds utilize Coinbase Custody Trust Company LLC ("Coinbase Custody") for custody services and utilize Coinbase Pro as support for valuation services. Because a Principal is a director of, and holds a financial interest in, Coinbase, the Adviser has a conflict of interest in retaining Coinbase Custody for such services, as such relationship can influence the Adviser in determining whether to select Coinbase Custody to provide such services. There is a possibility that the Adviser, because of such relationship, may favor the retention of Coinbase Custody even if a better price and/or quality of service could be obtained from another service provider.

Lack of Exclusivity

Subject to restrictions in a Fund's Organizational Documents, the Principals engage in other business activities that are from time to time in competition with the Funds and/or may involve substantial time and resources of the Principals (such as forming other accounts, entering into other investment advisory relationships or engaging in other business activities). Such activities could be viewed as creating a conflict of interest in that the time and effort of the Principals will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and such other activities. Personnel of the Adviser may also engage in such activities.

Side Letter Agreements; Most Favored Nation

The Funds, and in certain cases the Adviser, will have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, the Funds may create additional classes of interests for certain limited partners that provide for, among other things, (i) greater transparency into the Funds' portfolio, (ii) different or more favorable withdrawal rights, such as more frequent withdrawals or shorter withdrawal notice periods, (iii) greater information than may be provided to other limited partners, (iv) different fee or incentive compensation terms, (v) more favorable transfer rights and (vi) key-person notifications. Certain such waivers, modifications or grants of special or more favorable rights may also be effected by the Funds, and, in certain cases, the Adviser, through agreements ("Side Letter Agreements"). Although certain limited partners may invest in the Funds with different material terms, the Funds and the Adviser generally will only offer such terms if they believe other limited partners of the Funds will not be materially disadvantaged. In addition, subject to certain exceptions described in a Fund's Organizational Documents, limited partners who entered the initial close ("Founder LPs") will generally have the right to elect to receive any more favorable rights of any additional class of Fund interests, side letter agreement or additional class of interests or side letter with a substantially identical investment program of a Fund (a "Comparable Fund") (to the extent that such more favorable rights are or can be applicable to such Founder LP); provided that Founder LPs will also be bound by the obligations or restrictions of such additional class of interests, side letter agreement or Comparable Fund.

Other Potential Conflicts

The Organizational Documents of each Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in the Funds, and may also represent one or more portfolio companies or investors in the Funds. In the event of a significant dispute or divergence of interest between a Fund and the Adviser, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds may engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on

services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points” or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies.

The Adviser may, in its discretion, have, and may, in its discretion, cause a Fund and/or its portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or its portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or its portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Adviser may cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or their respective directors, officers, employees, agents, representatives, members of an advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion or the entirety of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of an advisory committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Organizational Documents of the Funds permit each Fund’s General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner’s public reputation

or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

The Adviser from time to time receive material, non-public information regarding issuers, including through its members who participate on the board of directors of other entities, which in some cases may expose such persons to material non-public information regarding other issuers that may fall within the Funds' investment objectives. Under applicable law and policies, employees of the Adviser are generally prohibited from disclosing or using material non-public information for their own personal benefit or for the benefit of any other person in violation of applicable law, regardless of whether that person is a client. Accordingly, should an employee of the Adviser obtain material, non-public information with respect to an issuer, he or she is generally prohibited from communicating that information to, or using that information for the benefit of clients in violation of applicable law. Accordingly, receipt of material non-public information by the Adviser or its employees may impact the ability of the Funds to buy, sell or hold certain investments, which may adversely impact the Funds' investment results. The Adviser has no obligation or responsibility to disclose the information to, or use such information for the benefit of, any person (including clients) even if requested by the Adviser or its affiliates and even if failure to do so would be detrimental to the interests of that person.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

The Adviser anticipates that it will utilize brokers for certain Fund transactions. To meet its fiduciary duty to the Funds, the Adviser maintains policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Best Execution of Purchases or Sales Through a Broker-Dealer

As part of the Adviser's fiduciary duty to the Funds, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for the Funds the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's investment team takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser's generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's investment team, in consultation with the Adviser's CCO, periodically monitors broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

Block Orders and Aggregation for Publicly Traded Securities

In pursuing the Funds' investment objectives, the Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security or Crypto Asset. The Adviser may combine orders on behalf of the Funds with orders for other Funds for which it has trading authority, or in which it has an economic interest.

The Adviser generally aggregates trade orders for publicly traded securities, including Crypto Assets, so that each participating Fund and relevant co-investment vehicle receives the average price for each execution of a transaction.

While the Adviser from time to time receives research from broker-dealers, the Adviser does not have any "soft dollar" arrangements in place (i.e., arrangements whereby the Adviser pays a higher commission to execute a trade than the lower available negotiated commission, using a portion of the commission to obtain brokerage and research services).

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Order Aggregation and Average Pricing

If the Adviser determines that the purchase or sale of an Investment is appropriate with regard to multiple Funds, the Adviser may, but is not obligated to, to the extent practicable, purchase or sell such Investment on behalf of such Funds with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Fund receives the average price, with transaction costs generally allocated pro rata based on the size of each Account's participation in the order (or allocation in the event of a "partial fill") as determined by the Adviser. In the event of a "partial fill", allocations may be modified on a basis that the Adviser deems to be appropriate, including, for example, in order to avoid de minimis allocations. When orders are not aggregated, trades generally are processed in the order that they are placed with the counterparty selected by the Adviser. As a result, certain trades in the same Investment for one Account (including an Account in which the Adviser and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Fund, and orders placed later may not be filled entirely or at all, based upon the prevailing exchange/market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Trade Errors

Trade errors and similar human errors involving transactions in accounts directly or indirectly held by the Funds or any Investment contract (e.g., SAFTs) or other similar agreement of the Funds may occur. Such errors may include, for example, (i) the placement of orders (either purchases or

sales) in excess of, or less than, the amount of Investments the account intended to trade; (ii) the sale of an Investment when it should have been purchased; (iii) the purchase of an Investment when it should have been sold; (iv) the purchase or sale of the wrong Investment; (v) the purchase or sale of an Investment contrary to regulatory restrictions or investment guidelines or restrictions of the account; (vi) incorrect allocations of trades between a Fund and any other Fund that does not trade pari passu with the account; (vii) keystroke errors that occur when entering trades into an electronic trading system; and (viii) typographical or drafting errors. Such errors may result in losses or gains. The Adviser generally seeks to detect such errors prior to settlement and promptly correct and/or mitigate them. To the extent an error is caused by a counterparty, the Adviser seeks to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Funds to the Adviser and its affiliates and personnel, the Adviser and its affiliates and personnel are generally not be liable to the Funds for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud of such person, and the Funds are generally required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Funds, absent bad faith, gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, the Funds (and not the Adviser) benefit from any gains resulting from trade errors and similar human errors and are responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. The Adviser reimburses the Funds for losses for which the Adviser is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by the Adviser on behalf of the Funds, investors should assume that trade errors and similar human errors occur and that, to the extent permitted by applicable law and under the Funds' Documents, the Funds are responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Adviser's personnel.

Item 13. Review of Accounts

Oversight and Monitoring

The Adviser closely monitors the Funds' investments. The Funds' accounts are continuously reviewed on an ad hoc basis, and are formally reviewed by Principals at least quarterly.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 45 days after each fiscal quarter end. The Adviser and the applicable General Partner, if any, are from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for the Funds in connection with the offer and sale of interests to certain potential investors. Such persons generally receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to the Funds that are subsequently accepted.

The Funds may, subject to any limitations set forth in its Organizational Documents, reimburse such fees. Management Fees and/or Incentive Allocations received by the Adviser or the General Partner are generally reduced by the amount of such fees paid by the Funds.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser maintains written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities or other assets owned by the Funds (“Votes”). The Adviser votes all Votes in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account, the relevant Fund’s objectives, the contractual obligations under the relevant Advisory Agreements or comparable documents, specific proxy voting instructions conveyed by an investor with respect to that investor’s securities, and all other relevant facts and circumstances at the time of the Vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s CCO or the relevant Adviser investment professional if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds. For example, proxy voting in certain countries involves “share blocking”, which limits the Adviser’s ability to sell the affected instrument during a blocking period that can last for several weeks. The Adviser believes that the potential consequences of being unable to sell an instrument usually outweigh the benefits of participating in a proxy vote, so the Adviser generally abstains from voting when share blocking is required.

All Voting decisions initially are referred to the Adviser’s CCO for a voting decision. The Adviser’s CCO, working with the Principals as necessary, determine the course of action that best

achieves Funds' objectives in accordance with the Adviser's fiduciary duty. The Adviser's CCO is responsible for overseeing the proxy voting process and entering Votes.

The Adviser's CCO considers whether the Adviser is subject to any material conflict of interest in connection with each Vote. If the Adviser detects a material conflict of interest in connection with proxy solicitation, the Adviser will abide by the following procedures: (1) the Adviser's CCO will convene the Principals; (2) the Adviser's CCO will describe the proxy Vote under consideration and identify the perceived conflict of interest, propose the course of action that the Adviser's CCO believes is in the Funds' best interests and tell the Principals why he or she believes that this course of action is most appropriate; (3) the Principals will review any documentation associated with the Vote and evaluate the CCO's proposal, considering various relevant factors, (4) after taking a reasonable amount of time to consider the CCO's proposal, each of the Principals will make a recommendation regarding the proxy Vote, and (5) if the Principals are unable to reach a unanimous decision regarding the proxy Vote, the Adviser will seek a recommendation from the affected Funds' limited partner advisory committees (each, an "LPAC"), the Adviser's CCO retains documentation of the advisory committees' recommendation and will vote Votes in accordance with that recommendation.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Paradigm Operations LP, 251 Post Street Suite 620, San Francisco, CA 94108.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.