

# **Stratos Technologies Capital Management LLC**

**610 Newport Center Drive, Suite 430  
Newport Beach, CA 92660**

**February 2024**

This “**Brochure**” provides information about the qualifications and business practices of Stratos Technologies Capital Management LLC (hereinafter “**Stratos**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Laurent Parmentier, by email at [laurent@stratos.xyz](mailto:laurent@stratos.xyz). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Stratos is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Stratos or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Stratos is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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There are no material changes to report since the prior Brochure update.

### Item 3: Table of Contents

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**Item 4: Advisory Business**

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Stratos Technologies Capital Management LLC (hereinafter “**Stratos**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited liability company with a principal place of business in Newport Beach, CA.

Stratos will provide discretionary investment management services to qualified investors through its private funds:

- Stratos Technologies Capital Fund I LP, a Delaware limited partnership (the “**Stratos Tech Fund**”);
- STCM DeFi Fund LP, a Delaware limited partnership (the “**STCM DeFi Fund**”);
- Stratos Digital Venture Fund II LP, a Delaware limited partnership (the “**Stratos Digital Fund**”);
- STCM Goldfinch SPV, Series of STCM SPV Series Master I LP, a Delaware limited partnership (the “**STCM Goldfinch SPV**”);
- STCM Aleph SPV, Series of STCM SPV Series Master I LP, a Delaware limited partnership (the “**STCM Aleph Fund**”);
- Stratos Backer SPV, Series of STCM SPV Series Master I LP, a Delaware limited partnership (the “**Stratos Backer Fund**”);
- MK2C Rezi Funding I LLC a Delaware limited liability company (the “**MK2C Rezi**”).
- STCM Braavo Funding LLC a Delaware limited liability company (the “**STCM Braavo Fund**”);
- STCM ThreeColts Funding LLC, a Delaware limited liability company (the “**STCM Threecolts Fund**”); and
- STCM Goldfinch Funding LLC, a Delaware limited liability company (the “**STCM Goldfinch Fund**”);
- Stratos Liquid Fund LP, a Delaware limited partnership (the “**Stratos Liquid Fund**”).

The above-mentioned funds are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The limited partners in our Funds structured as limited partnerships are herein referred to as “**Limited Partners**” the members of our Funds structured as limited liability companies are herein referred to as “**Members**”; and collectively are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective Limited Partnership Agreement and Subscription Document.

As of December 31, 2023, Stratos manages \$ 105,547,435 in regulatory assets under management on a fully discretionary basis. Stratos does not manage any of its clients’ assets on a non-discretionary basis nor does it participate in a wrap fee program.

**Item 5: Fees and Compensation**

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The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

***Management Fee***

Stratos is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds.

The Fee will range from 1.5% to 2.5%.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

***Other Types of Fees or Expenses***

Stratos is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

The Funds bear all other expenses, which include, without limitation, the following expenses incurred by or allocable to the Funds: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, structuring, pricing, execution and other third-party information systems, software and service fees (including, without limitation, the expenses with respect to data feeds, subscriptions, expert networks, political intelligence providers, and reports); (c) research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals; (d) the Funds' pro rata share of the Firm's order management system, portfolio management system and any other software used for accounting and/or monitoring of the portfolio; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal, and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds (including, without limitation, pursuant to Section 13 and 16 of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**")) and the Funds' pro rata portion of the expenses associated with preparation of the Firm's Form 13F, Form 13H and Form PF, and any other similar filing

in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds' operations, investments and transactions, including, without limitation, fees and expenses of the Funds' administrator; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization and all extraordinary expenses; (l) broken-deal, failed transaction, break-up and similar fees, costs and expenses, if any; (m) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (n) expenses incurred in the collection of monies owed to the Funds, as applicable; (o) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (p) any entity level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular Investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of the Investors; (t) insurance expenses; including, without limitation, directors' and officers' liability insurance, general partner liability insurance, errors and omissions insurance and other policies, if any; (u) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company, or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, CFTC filings and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of interests in the Funds, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Funds' governing documents and/or Offering Documents; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Funds; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; and (cc) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In general, each Investor will bear its proportionate share of the Fund expenses on a pro rata basis with respect to the size of such Investor's capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Fund General Partner and/or the Firm, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Fund General Partner and/or the Firm, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Firm or its affiliates, the Funds will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of

any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

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We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

#### **Item 7: Types of Clients**

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Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, fund of funds, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

#### **Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss**

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The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

##### ***Investment Objective***

The investment objective for the venture funds seek to invest in early-stage crypto projects at low valuations, providing significant asymmetric upside. While individual investments come with meaningful risk, our portfolio approach aims to manage and mitigate risk.

The investment objective for the credit fund aims to provide stable returns paid monthly in cash through structured credit investments.

##### ***Risk of Loss Factors***

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those

risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below.

#### General Partnership Risks

**Limited Operating History.** The Partnership has been operating for a few years and has limited operating history upon which prospective investors may evaluate its likely performance. The past investment performance of entities with which the members of the General Partner of the Partnership have been associated should not be construed as an indication of future results of any investment in the Partnership. The Partnership is prone to all of the risks generally inherent in the establishment of any new business venture and of a new venture capital fund, in particular. Prospective investors should consider the likelihood of the future success of the Partnership to be speculative in light of its lack of operating history.

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**Investment Returns Not Guaranteed.** The investments made by the Partnership generally will carry a high degree of risk as such investments generally will be made in illiquid securities issued by early stage privately held companies that are difficult to value. An investment in the Partnership requires a long-term commitment, with no certainty of return. It is possible that the returns to the Partnership's investors will not be maximized as a result, and, in fact, there can be no assurance of return of capital or any rate of return or profit. Moreover, even if one or more of the companies in which the Partnership invests is successful, there can be no assurance that the investors in the Partnership will receive distributions from the Partnership in an amount equal to their investment. No assurance can be given with respect to the Partnership's future performance and Investors may lose their entire investment in the Partnership.

**Reliance on General Partner.** The success of the Partnership will depend to a great extent, among other things, upon the ability of the members of the General Partners to identify, select, effect and realize appropriate investments. The failure of the members of the General Partner to source adequate deal flow to the Partnership may also materially and adversely affect the results of operations of the Partnership. The failure of the members of the General Partner to participate actively in the business of the Partnership will adversely affect the operation of the Partnership. The loss of either member of the General Partner could have a material, adverse effect on the Partnership. If for any reason either member of the General Partner should cease to be involved in the investment management of the Partnership, suitable replacements may be difficult or impossible to obtain, and, accordingly, the performance of the Partnership may be adversely affected.

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**Other Activities of the General Partner.** The members of the General Partner will devote only such portion of their time to the affairs of the Partnership as they consider reasonably necessary in their respective judgment to manage effectively the affairs of the Partnership. Other activities with which the members of the General Partner are, or may become associated with in the future, may require the members of the General Partner to devote



substantial amounts of their respective time to matters unrelated to the business of the Partnership.

**Illiquidity of Interests.** The Interests are being offered without registration under the Securities Act and the Partnership will not be registered under the Investment Company Act. There is no public market for the Interests, and none is expected to develop. Certain restrictions on transferability preclude disposition and transfer of Interests other than pursuant to an effective registration statement (which is not expected to exist) or in accordance with an exemption from registration contained in the Securities Act and in the Investment Company Act. In addition, the LPA requires the consent of the General Partner prior to the transfer of Interests. In light of the transfer restrictions imposed, and in light of the limitations placed on the ability of a Limited Partner to withdraw all or part of its Capital Account balance from the Partnership, an investment in the Partnership should be viewed as illiquid.

**Concentration of Investments.** It is anticipated that the Partnership will make a limited number of debt and equity investments. Because the General Partner currently expect that the Partnership's capital will be concentrated in a very limited number of investments, the unfavorable performance by any one entity in which the Partnership is invested could substantially adversely affect the Partnership's operations and the returns, if any, to the Limited Partners.

**Valuation of Partnership Investments.** Valuation of the Partnership's investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the value of the Interests could be adversely affected. While the General Partner will use its best efforts to obtain independent valuations of any investments acquired by the Partnership from its affiliates, such investments may be difficult to value and may be subject to varying interpretations of value.

**Absence of U.S. Statutory Regulation.** The Partnership is not required to register as an investment company and has not registered as such under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Therefore, the provisions of the Investment Company Act, (which prohibits certain transactions between an investment company and its management and provides certain additional regulatory safeguards to investors) are not applicable to the Partnership. The General Partner is not registered with the Securities and Exchange Commission or with any state as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Consequently, the full range of protections available under the Advisers Act will not be available to Limited Partners. Economic Interest of the General Partner and/or its Affiliates. Because the percentage of profits allocated to the General Partner, the General Partner may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the Limited Partners or was compensated on a basis not tied to the Partnership's performance. In addition, investments made by the Partnership may from time to time provide the General Partner and/or its affiliates with warrants, shares or other similar equity instruments in connection with such investments. All such investments shall be made solely on a good-faith, arm's-length basis, provided, however, the Partnership is not expected to receive or have any interest in additional equity instruments provided to the General Partner in compensation for advisory or other relationships separate from the investments.

**Absence of Effective Remedies Against the General Partner.** There can be no assurance that adequate remedies will be available to any Limited Partner if the General Partner fails to perform its duties. The LPA includes provisions for the exculpation and indemnification of the General Partner and its respective members, officers, employees and affiliates.

**Consequences of Failure to Pay Capital Contribution.** If a Limited Partner fails to pay any installment of its capital commitment as required, the General Partner may elect to impose a number of penalties, including (without limitation) forfeiture of a portion of the defaulting investor's capital account, or the forced withdrawal of the investor. Any shortfall in capital available to the Partnership as a result of such default may negatively impact the Partnership's performance.

*Risks of Investment in Debt and Equity Securities of Commercial Lenders*

**Loan Default Risk; No Guarantee of Returns.** The Partnership may invest in debt and equity securities issued by commercial lenders to individuals for a variety of purposes, including but not limited to anticipated healthcare costs and for general purpose agricultural purposes (such loans, "Underlying Loans"), at the discretion of the General Partner. One or more recipients of Underlying Loans may be unable to repay all or part of the principal and interest on such loans, which may, in turn, result in an inability of one or more commercial lenders to repay loans made by the Partnership to such commercial lenders. The Partnership may have limited recourse to the assets and future earnings of any entity in whose debt securities the Partnership has invested, and may therefore have an increased risk of loss of principal and interest in the event of a default a holder or cosigner of an Underlying Loan. Any such default may materially and negatively impact the Partnership's performance Interest Rate Risks. The Partnership will have substantial exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of the Partnership's investments and/or the ability of one or more commercial lenders in which the Partnership invests to originate loans and, in turn, repay any principal and interest owed by such lenders to the Partnership. Factors that may affect market interest rates include inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the Federal Reserve Board, international disorders and instability in domestic and foreign financial markets. In a changing interest rate environment, the Partnership may not be able to manage these risks effectively. If the Partnership is unable to mitigate interest rate risk effectively, the Partnership's performance could be adversely affected.

*Risks of Investing in Debt Instruments of Early Stage Companies*

**Vulnerability of Early Stage Companies.** The Partnership may acquire debt investments issued by early stage companies. These investments offer the potential for significant capital appreciation, but also involve a high degree of risk, are generally unsecured, and may result in substantial or total losses. Such companies will generally have limited operating history or revenues at the time of the Partnership's investment and may have difficulties in making distributions on or otherwise satisfying their obligations to their creditors. Although the General Partner intends to conduct due diligence investigations prior to completing investments in such companies, developing companies issuing securities of the kind contemplated for the Partnership may encounter unexpected problems in areas such as product development, marketing, finance and general management, and infringement of intellectual property. Further, such companies are likely to require substantial additional capital to implement their business plans and there is no assurance that any early stage company the Partnership invests will be able to obtain such additional funding. Any return on

investment to the Limited Partners will depend upon the profitability of investments selected by the Partnership. There is no assurance that the investments made by the Partnership will be profitable or that any distributions will be made to investors. Expenses of the Partnership may exceed its income, and you may lose the entirety of your investment in the Partnership. Competition. Substantial competition exists for attractive venture capital investment opportunities. While the General Partner believes the Partnership will have reasonable opportunities to make such investments, there is no assurance that the Partnership will be successful in competing for desirable investment opportunities. There is no assurance that the Partnership will be able to invest its capital on favorable terms or at all or that its investments will be successful relative to other opportunities available to investors or at all.

**Limited Protection of Proprietary Rights.** Portfolio companies of the Partnership may be dependent upon proprietary information and technology. There can be no assurance that their means of protecting their proprietary rights will be adequate to prevent misappropriation. Also, unauthorized third parties may copy aspects of the products of the Partnership's portfolio companies, reverse engineer such products or otherwise obtain and use information that the Partnership's portfolio companies regards as proprietary. Furthermore, there can be no assurance that others will not independently develop technologies similar or superior to the technology of the Partnership's portfolio companies or design around their proprietary rights.

#### Real Property Investment Risks

**General Real Property Risks.** The Partnership's real property investments, if any, will be subject to risks generally applicable to the ownership and operation of such real property, including: (i) risks associated with the general domestic economic climate in which such real property is located; (ii) local real estate conditions; (iii) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (iv) the financial condition of tenants, buyers and sellers of properties; (v) energy and supply shortages; (vi) various uninsured or uninsurable risks; (vii) the ability of the General Partner and its affiliates to manage the real properties and (viii) acts civil unrest, uninsurable losses and other factors which are beyond the control of the Partnership or the General Partner and their affiliates.

**Variable Rental Income.** The income generated from real properties owned by the Partnership may decrease due to tenant fluctuation and interim vacancies. The factors affecting the vacancy rate of a property are very varied in nature, including but not limited to the economic situation of the area where the property is located, natural disasters, upkeep and maintenance of the property, availability of alternative properties, environmental and health factors and public policy issues.

**Risk of Natural Disasters.** While the General Partner intends to consider the environmental risks of each prospective real property investment carefully, the Partnership's real property investments are subject to physical damage or destruction by natural catastrophes that are impossible to predict.

**Regulatory Risks.** Applicable legislation, regulations, directives, government practices and similar, of whatever nature, may also require certain changes made to properties regarding, among others, insulation, carbon footprint, disability access and environmental compliance. Costs associated with such changes may be substantial and may reduce the income generated from the investment and the underlying capital value of the property.

**Illiquidity of Real Property.** Generally, real property is highly illiquid. Depending on market conditions, such investments may be difficult to liquidate, and acquisition and disposal of a

property at a suitable price may not be possible in a short period of time. The sale or acquisition of real estate tends to require substantial lead time and require the involvement of real estate appraisers and prolonged negotiations with other parties including sellers, bank lenders and governmental authorities. The increased transaction costs and delays inherent in the sale of real property may have a material adverse effect on the Partnership's performance.

**Unique Character of Real Property.** Real property has strong individual characteristics. It may be difficult to determine the value and or salability of the Partnership's real property based on comparison with similar properties, or classes of properties. Real properties that are similar in nature, location or that are otherwise comparable may not always sell at comparable prices.

#### General Investment and Trading Risks

An investment in our Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. Our Funds invest primarily in Digital Assets and Digital Asset companies using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that any of our Funds' programs will be successful. Our Funds' investment programs may utilize investment techniques, the use of which can, in certain circumstances, maximize the adverse impact to which such Fund may be subject.

#### Digital Assets

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

Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will continue to grow. Further, many Digital Assets have been hacked or may become vulnerable due to flaws in fundamental core code.

#### Volatility of Digital Asset Values

In their short history, Digital Asset values have experienced extreme price volatility that may continue in the future. The value of Digital Assets held by a Client could decline rapidly. Digital Assets have not been in existence long enough to assess the volatility of market cycles with any precision. Historical price increases in Digital Assets provide no assurance of future results. The value of Digital Assets also will be affected by the worldwide acceptance or rejection of Digital Assets. In particular, problems with the supply of Digital Assets, security flaws (or perceived security flaws), difficulties with converting Digital Assets to fiat currencies, and concerns that Digital Assets may disproportionately facilitate criminal activities may negatively affect the acceptance, growth and development of Digital Assets. For example, the exchange rate of Bitcoin into U.S. dollars has been very volatile, including dropping by more than 50 percent in a single day. To the extent a Client holds specific investments in Digital

Assets, the value of those investments also may be volatile and subject to impairment, and such investments may lose their entire value.

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**Bank Failures.** On March 10, 2023, the Federal Deposit Insurance Corporation (“FDIC”) and the California Department of Financial Protection and Innovation assumed control of Silicon Valley Bank (“SVB”) following SVB’s financial losses and massive deposit withdrawals. On March 12, 2023, Signature Bank, New York, NY (“Signature Bank”) was closed by the Department of Financial Services of New York and subsequently, the FDIC was named receiver. These bank failures caused turmoil in the financial markets and other similar bank failures may increase market volatility and decrease consumer and business confidence. In addition, certain Digital Private Credit Platforms, issuers and obligors in which the Adviser invests may have banking relationships with SVB, Signature Bank and other failed banks and may suffer material losses that could seriously impair their business operations. Bank failures and ripple effect of such failures on the Adviser’s investments may adversely affect the value of investments held by the Adviser and/or the ability of the Adviser to dispose of investments at attractive valuations.

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#### **Item 9: Disciplinary Information**

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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#### **Item 10: Other Financial Industry Activities and Affiliations**

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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#### **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

##### ***Code of Ethics***

Stratos has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are required to obtain written approval from the Chief Compliance Officer (“CCO”) prior to engaging in any transaction involving a Digital Asset or whose value is derived from a Digital Asset. Employees are required to get approval from CCO prior to participating in Initial Public Offerings (“IPOs”). Employees are prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; (ii) making any private investments; or (iii) making political contributions.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

## **Item 12: Brokerage Practices**

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As the Funds invest primarily in illiquid securities, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities. Selection of Brokers and Dealers for the Funds, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for the Funds involving a broker-dealer, the Adviser will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). “Best execution” means obtaining for the Funds accounts 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. Best execution is not limited solely to the consideration of the best available commission rate. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser’s investment professionals take into account all factors that they deem 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 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 professionals, in consultation with the Adviser’s CCO, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and the Fund.

### ***Soft Dollars***

At this time Stratos does not participate in the use of Soft Dollars, however if Stratos decides to participate in a Soft Dollar program in the future, the Adviser will implement the appropriate policies and procedures.

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**Item 13: Review of Accounts**

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Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund's Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

***Account Reporting***

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

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**Item 14: Client Referrals and Other Compensation**

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We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

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**Item 15: Custody**

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We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Stratos.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

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**Item 16: Investment Discretion**

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We will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

**Item 17: Voting Client Securities**

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Stratos does not vote proxy for client accounts, however if Stratos decides to vote proxy for client accounts in the future, the Adviser will implement the appropriate policies and procedures.

**Item 18: Financial Information**

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We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.