

Item 1: Cover Page



Shima Capital Management LLC

PART 2A OF FORM ADV: FIRM BROCHURE ("Brochure")

1225 Avenida Juan Ponce de Leon, PH-1155

San Juan, Puerto Rico 00907

March 28, 2024

This brochure provides information about the qualifications and business practices of Shima Capital Management LLC. If you have any questions about the contents of this brochure, please contact **Brandon Stahl, Chief Compliance Officer** at **brandon@shima.capital**. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Any reference to Shima Capital Management LLC as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Shima Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Shima Capital Management LLC (“**Shima Capital**” or the “**Firm**”) is providing this update to the Brochure since its last update dated May 2, 2023. A summary of changes since the last update is as follows:

Item 4 was updated to reflect a change in the Firm’s regulatory assets under management.

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Item 4: Advisory Business

Item 4.A.

Shima Capital Management LLC (“**Shima Capital**” or the “**Firm**”), founded in December 2021, is a Puerto Rico limited liability company with its principal place of business in Puerto Rico. The principal beneficial owner of Shima Capital, indirectly and directly, is Mr. Yida Gao.

Item 4.B.

Shima Capital is an investment management firm that provides advisory services on a discretionary basis to several privately offered pooled investment vehicles (each, a “**Fund**” and collectively, the “**Funds**”). The Funds are collectively referred to herein as each, a “**Client**” and collectively, the “**Clients**.” Investments in the Clients are generally offered only to high net-worth individuals and institutional investors that meet the applicable investor suitability requirements (each, an “**Investor**” and collectively, the “**Investors**”).

Shima Capital provides investment advisory services to the Fund’s portfolio based on the particular investment objectives and strategies described in the Fund’s confidential offering memorandum, limited liability company agreement and other governing documents (referred to collectively as “**Offering Documents**”). Current focus of the Funds are investments into portfolio companies, crypto tokens, cryptocurrencies, and other digital assets. While Shima Capital intends to achieve returns for its investors in the Funds by constructing a diversified portfolio of cryptographic tokens and digital assets, the Firm may engage in any investment strategy and make any investment, including any not described in the Offering Documents, that the Firm considers appropriate to pursue the Fund’s investment objective.

Item 4.C.

Shima Capital’s investment management and advisory services to the Funds are provided pursuant to the terms of the Offering Documents, and investors in the Funds cannot obtain services tailored to their individual specific needs.

Item 4.D.

Shima Capital does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2023, Shima Capital managed approximately \$158,640,009 in client assets on a discretionary basis. Shima Capital does not manage any client's assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.

The fees and expenses associated with an investment in the Funds are described in detail in their respective Offering Documents. For Funds, the Firm will be paid in advance a management fee calculated at an annual rate equal to 2.0% per year, paid quarterly.

Any new Fund launched by Shima Capital after the date of this Brochure may have materially different terms than those summarized above and terms for any existing Funds may be amended from time to time.

Item 5.B.

Shima Capital is authorized to deduct management fees and performance fees, if any, directly from the Funds, and in effect, the investors' capital accounts. The frequency of the deduction will be determined by Shima Capital. Details are found in the respective Fund's Offering Documents.

Item 5.C.

Below is a general description of the Clients' expenses and other fees. Investors should refer to the Clients' relevant Governing Documents for a complete understanding of expenses and fees. The information herein is qualified in its entirety by such documents.

The Clients shall generally be responsible for the following costs and expenses, as provided in each Client's Governing Documents. The Fund will pay (or reimburse the Firm or its affiliates for) or will be responsible for operating costs and expenses incurred by it or on its behalf, including (a) out-of-pocket expenses that are associated with disposing Portfolio Investments, including transactions not completed; (b) extraordinary expenses, if any (such as certain valuation expenses, litigation and indemnification payments); (c) interest on borrowed money, investment banking, financing and brokerage fees and expenses, if any; and (d) expenses associated with the Fund's tax returns and Schedules K-1, custodial, legal and insurance expenses, any taxes, fees or other governmental charges levied against the Fund; (e) attorneys' and accountants' fees and

disbursements on behalf of the Fund; (f) insurance, regulatory or litigation expenses (and damages), (g) expenses incurred in connection with the winding up or liquidation of the Fund (other than liquidation expenses permissible under the Operating Agreement); (h) expenses incurred in connection with any amendments to the constituent documents of the Fund and related entities, including the Firm; and (i) expenses incurred in connection with the distributions to the Members and in connection with any meetings called by the Firm.

Expenses generally will be shared by all of the Investors of a particular Client, including the applicable manager (as defined in the Operating Agreement), pro rata in accordance with the Operating Agreement. Organizational costs and expenses related to the offer and sale of interests in Clients are borne by such Clients, as provided in each Client's Governing Documents.

Each of the Shima Capital entities bear all of their separate expenses arising out of their services to the Clients, including all of their general overhead expenses (including the rent of their offices, compensation and benefits of staff, maintenance of books and records, and their fixed expenses, telephones, and general purpose office equipment), but are not responsible for any expenses of the Clients.

Item 5.D.

The Management Fee is payable on a quarterly basis in accordance with the Operating Agreement.

Item 5.E.

Neither Shima Capital nor or its supervised persons are compensated for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

In addition to the management fees, the Firm is also entitled to collect a Carried Interest percentage of 20%, and up to 30% after the Funds realize a ratio of distributions to paid-in-capital greater than or equal to 5.0. 100% of an investor's capital contributions will be paid back to the Member before carried interest is assessed or distributed.

Item 7: Types of Clients

Shima Capital provides discretionary investment management services to privately offered, pooled investment vehicles, namely private funds and special purpose vehicles, as described above in Item 4.B, which are intended for investment by private placement by qualified investors (the “**Investors**”). The respective minimum initial and subsequent subscription amounts are detailed within the Offering Documents. Shima Capital may, at its sole discretion, elect to reduce or waive the minimum threshold for subscription amounts for any investor.

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

Item 8.A.

Each Fund is a highly speculative investment and is not intended as a complete investment program. Each Fund is designed only for sophisticated persons who can bear the economic risk of the loss of their investments in the Fund and who have a limited need for liquidity in their investment. There can be no assurance that any Fund will achieve its investment objective or that substantial losses will not be incurred. Each prospective investor in a Fund should carefully review the respective Governing Documents and the agreements referred to therein prior to deciding to invest in the Fund.

The Funds seek to achieve maximum returns for their investors by constructing a diversified portfolio of cryptographic tokens and other digital assets. As described in the Funds’ offering documents, investment guidelines do not limit in any way the Funds’ investment activities. The Funds’ offering documents does allow Shima Capital to engage in any investment strategy and make any investment, including any not described in offering document, that the Shima Capital considers appropriate to pursue the Funds’ investment objectives.

Items 8.B. and 8.C.

An investment in the Funds and their respective investment strategies involves significant risks, including those associated with investments in the Funds’ targeted industry and market. An investment in the Funds is speculative and involves a high degree of risk. An investor could lose all or a substantial amount of his or her investment in a Fund. The Funds’ performance may be volatile and is suitable only for persons who can afford fluctuations in the value of their capital. Funds have limited liquidity and are suitable only for persons who have limited need for liquidity and who meet the suitability standards set forth in this Memorandum. There is no assurance that the Funds will be successful or that its investment objective will be achieved. No secondary

market for the Interests is expected to develop, and there are severe restrictions on an investor's ability to withdraw and transfer Interests. The Funds have limited liquidity.

General Market Risk

Risk of Loss. An Investor could incur substantial, or even total, losses on an investment in a Fund. Fund interests are only suitable for persons willing to accept this high level of risk.

Risk of Investments Generally. All investments risk the loss of capital. No guarantee or representation is made that a Fund's investment program will be successful. Certain investment techniques used by a Fund can, in certain circumstances, substantially increase the impact of adverse market movements to which a Fund may be subject. In addition, a Fund's investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where a Fund invests its assets. A Fund's methods of minimizing such risks may not accurately predict future risk exposures. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Availability of Investment Opportunities. The success of the Funds depends largely on the ability of Shima Capital to locate, analyze, select and make investments that it believes meet the investment objectives and guidelines of the relevant Fund. The availability of suitable opportunities will depend upon (among other things) financial, market, business and economic conditions. The Funds may not be able to obtain the opportunity to invest and complete investments which satisfy such Funds' investment criteria. There will be other parties competing to acquire assets targeted by Shima Capital and there is no certainty that the Funds will be able to purchase certain assets that Shima Capital believes present attractive investment opportunities. There also can be no assurance that the Funds will succeed in realizing profits from their investments which are sufficient to yield positive returns to such Funds' Investors. Funds may not be able to fully invest their capital.

Limited Number of Investments. The Funds will own a limited number of investments and, as a consequence, the aggregate return of each Fund may be substantially and adversely affected by the unfavorable performance of a single investment or a small number of investments. Although the Governing Documents provide for certain investment restrictions, Shima Capital will have discretion within such restrictions in selecting investments for the relevant Fund.

Market Disruptions. Funds may incur major losses in the event of disrupted markets where liquidity is diminished in the market. If the liquidity of the investments a Fund acquires is reduced due to disrupted markets, such Fund may have to hold investments for longer periods of time

than it otherwise would. Alternatively, such an event may force such Fund to sell assets in illiquid markets and at distressed prices, which may result in substantial losses to such Fund. In addition, market disruptions and other extraordinary events can result in strategies performing with unprecedented volatility and risk.

Risks of Investment in the Fund

Limited or No Operating History; Past Performance Not Indicative of Future Results. The Funds are recently formed entities and have no or only limited operating histories upon which prospective Investors can evaluate their likely performance. There can be no assurance that a Fund will achieve its investment objective. Past performance, especially the past performance of other investments made by Shima Capital's investment team, is not indicative of future results.

Reliance on Shima Capital and no Authority by Investors. All decisions regarding the management and affairs of the Funds will be made exclusively by Shima Capital. Accordingly, no person should purchase Client interests unless such person is willing to entrust all aspects of management of the Fund to Shima Capital. Investors will have no right or power to take part in the management of the Funds. As a result, the success of the Funds for the foreseeable future depends solely on the abilities of Shima Capital.

Lack of Liquidity and Transferability. An investment in a Fund is a commitment for illiquidity for a certain period of time and there is no assurance of any distribution to the Members. There is not now and there is not expected to be a public market for the Interests. The Interests may not be assigned, transferred or encumbered without the prior written consent of the Manager. Accordingly, a Member may not be able to liquidate its investment and must be prepared to bear the risks of owning its Interest for an extended period of time. The Interests will not be registered under the Securities Act, or under the various "Blue Sky" or securities laws of the state or jurisdiction of residence of any Member. The inability to transfer Interests in a Fund may limit the availability of estate planning strategies.

Taxation Risks. An investment in a Fund may involve complex U.S. federal income tax considerations that will differ for each Member. Under certain circumstances, the Members could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if the Fund either has no net profits in that year or has an amount of net profits in that year that is less than that amount of taxable income. Furthermore, the Members could incur U.S. federal income tax liabilities without receiving from the Fund sufficient distributions to defray those tax liabilities. Members subject to taxes associated with the Fund's activities will be liable to pay taxes on their allocable shares of the Fund's taxable income. There can be no assurances the Funds will have available cash or that timely Fund distributions will be made to

cover those taxes. Accordingly, a Member may be required to use cash from sources other than the Funds to pay that Member's allocable share of the Fund's taxable income. Certain risks related to these matters are discussed in Section V: "Legal and Tax Matters," which Investors should read carefully. The Funds will file an annual information return on IRS Form 1065 and will provide information on Schedule K-1 to each Member following the close of the Fund's taxable year if deemed necessary by the Manager. In the likely event that the Fund does not receive all of the underlying tax information necessary to prepare the Form 1065 and Schedule K-1 on a timely basis, the Fund will be unable to provide timely final tax information to the Members. Each Member will be responsible for the preparation and filing of that Member's own income tax returns, and Members should expect to file for extensions for the completions of their U.S. federal, state, local, non-U.S. and other income tax returns.

Litigation Risks. The Funds will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that a person or entity associated with a Portfolio Investment that the Funds invest in will face financial or other difficulties during the term of the Fund. In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of the Fund or the Manager), it is possible that a Fund, the Manager or its members may be named as defendants. Under most circumstances, the Fund will indemnify the Manager and its members for any costs they incur in connection with those disputes. Beyond direct costs, those disputes may adversely affect the Fund in a variety of ways.

Risks of Investments

Digital Assets. Digital assets are loosely regulated and there is no central marketplace for currency exchange or other private Digital assets. Digital assets, generally, may also be subject to fraud, security breaches or theft. A potential Investor in the Funds should note that the prices of digital assets, and other instruments in which the Funds, directly or indirectly, invests may be unavailable. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships, national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Investing in Blockchain Technology Companies. Companies in the rapidly changing fields of blockchain technology and the digital assets markets face special risks. Shima Capital has no

control over and limited visibility into future technological developments. The rapid pace of technological development creates the risk that an issuer's products and services become obsolete, fail to gain meaningful market share, or fall out of favor as more appealing and advanced technologies and products emerge. An issuer's intellectual property rights may be subject to legal challenge. Many companies in the blockchain technology and digital assets space have limited operating histories. Such a company may be unable to engage and retain sufficient skilled engineering, marketing and management personnel to allow it to maintain its technological edge and develop the corporate infrastructure required to sustain and grow its business. Some digital asset or blockchain industries may be subject to greater governmental regulation than other sectors, and changes in governmental policies and the need for regulatory approvals may materially and adversely affect the business of companies in those sectors. For these and other reasons specific to particular industries and companies, investments in companies in blockchain technology industries pose greater risks than those in certain other sectors.

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

on, or the recovery of, the Funds' respective investments. As a result, a Client may lose its entire investment in any or all of such companies.

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

Technology and Security. The Funds must adapt to technological change in order to secure and safeguard Fund accounts. While Shima Capital believes they have developed an appropriate security system reasonably designed to safeguard the Funds' digital assets from theft, loss, destruction or other issues relating to hackers and technological attack, such assessment is based upon known technology and threats. Certain of Shima Capital's and the Funds' activities will be dependent upon systems operated by third party service providers, and the Firm may not be in a position to verify the risks or reliability of such third-party systems. As technological change occurs, the security threats to the Funds' digital assets will likely adapt and previously unknown threats may emerge. Furthermore, Shima Capital believes that the Funds' may become a more appealing target of security threats as the size of the Funds' assets grows. To the extent that the Funds are unable to identify and mitigate or stop new security threats, the Funds' digital assets may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of the Funds or result in loss of the Funds' assets.

Operational and Information Security Risk from Cyberattacks. The Funds, Shima Capital and their service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting the Funds, Shima Capital, the Funds' fund administrators, custodians and other third-party service providers may adversely impact the Funds. For instance, cyberattacks may interfere with the processing of investor transactions, cause the release of private investor information or

other confidential information, subject the Funds and their service providers to regulatory fines or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Funds, and may cause the Funds' investments to lose value. The Funds and their service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good faith, may be inadequate. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

Errors in Execution of Transactions. Digital Asset transactions are generally irrevocable, and stolen or incorrectly transferred digital assets are likely irretrievable. As a result, any incorrectly executed digital assets transactions could adversely affect an investment in the Funds. Digital Asset transactions are not normally, from an administrative perspective, reversible. Once a transaction has been verified and recorded, an incorrect transfer of Digital Assets or a theft of digital assets generally will not be reversible, and the Funds will normally not be capable of seeking compensation for any such transfer or theft. Although the Funds' transfers of digital assets may be regularly made to or from the Funds' accounts, it is possible that, through computer or human error, or through theft or criminal action, the Funds' digital assets could be transferred from the Funds' accounts in incorrect quantities or to unauthorized third parties. To the extent that the Funds are unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Funds' digital assets through error or theft, the Funds will be unable to revert or otherwise recover incorrectly transferred Client digital assets. It is more likely than not that the Funds will be unable to seek redress for such error or theft, and such loss could adversely affect an investment in the Funds.

Regulatory Risk

Future Regulatory Change is Impossible to Predict. The securities and derivatives markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the SEC, the CFTC, the OCC, and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading.

The regulation of securities and derivatives both inside and outside the United States is a rapidly changing area of law and is subject to modification by government and judicial action. The Funds invest primarily in digital assets which are currently either not regulated, or are in the early stages of regulation by U.S. federal and state governments, or self-regulatory organizations. As digital assets have grown in popularity, certain U.S. agencies, such as FinCEN and the CFTC, have begun

to examine digital assets and the operations of digital assets in depth. Currently, the SEC has not formally asserted regulatory authority over digital assets. The CFTC has declared that some digital assets are commodities, but currently, only certain kinds of digital assets may be subject to CFTC jurisdiction. To the extent that any type of Digital Asset is determined to be a security, commodity, future, currency, or other regulated asset, or to the extent that a US or foreign government or quasi-governmental agency exerts additional regulatory authority over the digital assets, the Funds may be adversely affected.

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

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

Future CFTC or SEC Regulation. Current and future legislation by the CFTC and SEC rulemaking and other regulatory developments may impact the manner in which digital assets are treated for classification and clearing purposes. In particular, various digital assets may not be excluded from the definition of a "commodity future" or "security" by such future CFTC and SEC rulemaking, respectively. As of the dates of the Funds' Governing Documents, Shima Capital is not aware of any rules that have been proposed to further regulate digital assets as commodity futures or securities. As the CFTC has declared that some digital assets are commodities, currently, only certain kinds of digital assets may be subject to CFTC jurisdiction. Additionally, an SEC release has stated that certain digital assets may be securities, depending on the specific fact and circumstances of the Digital Asset in question. Shima Capital cannot be certain as to how future regulatory developments will impact the treatment of digital assets under the law.

To the extent that digital assets are deemed to fall further within the definition of a commodity future or further within the scope of CFTC jurisdiction pursuant to subsequent rulemaking by the CFTC, the Funds and Shima Capital may be required to register and comply with additional regulation under the CEA. Moreover, Shima Capital may be subject to further requirements with the CFTC through the National Futures Association. Such additional registrations or disclosures may result in extraordinary, non-recurring expenses of the Funds. If Shima Capital determines

not to comply with such additional regulatory and registration requirements, the Funds will terminate and liquidate at a time that may be disadvantageous to Investors.

To the extent that digital assets are deemed to fall within the definition of a security pursuant to subsequent rulemaking by the SEC, the Funds and Shima Capital may be required to register and comply with additional regulation under the Investment Company Act of 1940 or similar state investment advisory statutes. Such additional registrations may result in extraordinary, non-recurring expenses of the Funds. If Shima Capital determines not to comply with such additional regulatory and registration requirements, the Funds will terminate and liquidate at a time that may be disadvantageous to Investors.

No FDIC or SIPC Protection. Digital assets held by the Funds are not subject to FDIC or SIPC protections. The Funds are not banking institutions or otherwise a member of the Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) and, therefore, deposits held with or assets held by the Funds are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. The undivided interest in the Funds’ digital assets represented by the Funds’ interests is not insured.

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

Other Risks

Force Majeure. A Client’s performance and its investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including the Funds or a counterparty to the Funds) to perform its obligations until it is able to remedy the force majeure event and/or prompt precautionary government-imposed closures of certain travel and business. In addition, forced events, such as the cessation of the operation of

machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact a Client's returns, cause personal injury or loss of life, disrupt global markets, damage property, or instigate disruptions of service. In addition, the cost to the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a Client's expected returns. Certain force majeure events (such as war, terrorism, or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest and the markets the Funds may trade specifically. Military action or governmental sanctions prompted by certain force majeure events may further impact general economic conditions and market liquidity internationally or in the specific markets the Funds invest. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over industry assets, could result in losses to a Fund, including if its investments are canceled, unwound or acquired (which could be without adequate compensation).

Public Health Risk. The Funds could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the outbreak of a novel coronavirus ("COVID-19"). Public health crises can develop rapidly and unpredictably, which may prevent governments, companies or others (including Shima Capital and the Funds) taking timely or effective steps to mitigate or reduce any adverse impacts. Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel or quarantines imposed, could have a material and adverse effect on the Funds and their investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of Shima Capital, the Funds, counterparties in respect of the Funds' investments (which could, in turn, adversely impact the ability of such counterparties to perform any contracts they have with the Funds or relating to investments), or the Funds' administrator or other service providers (which could, in turn, adversely impact the ability of such providers to fully support the administration and operation of the Funds). In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed, could result in a widespread health crisis that could severely disrupt global, national and/or regional economies, resulting in an economic downturn that could adversely affect the performance of the Funds and their investments. For example, the spread of COVID-19 has led to significant uncertainty and extreme volatility in the financial markets, including volatility in digital asset prices. The performance of the Funds may be affected by particular issues affecting their investments, including risks associated with potential disruptions in the technological infrastructure involved in, inter alia, trading, custodying, transferring, and securing the investments. The extent of any such impacts will depend on future developments,

which are highly uncertain and cannot be predicted at this time, including the effectiveness of efforts, among others, by U.S. or other governments to restrict the spread of COVID-19.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective Investors should read each Client's Governing Documents and consult with their own advisers before deciding whether to invest in the Funds. In addition, as the Funds' investment programs develop and change over time, an investment in the Funds may be subject to additional and different risk factors.

Item 9: Disciplinary Information

Shima Capital and its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Shima Capital and its management persons are not registered (and do not have an application pending to register) as a broker-dealer or a registered representative of a broker-dealer.

Item 10.B.

Shima Capital and its management persons are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, futures commission merchant, or an associated person of any of the foregoing entities.

Item 10.C.

Shima Capital GP LLC is an affiliate and manager (as defined in the Operating Agreement) of the Funds, and in this capacity the relationship could create an incentive for Shima Capital to make investment allocations that are riskier or more speculative than would be the case if the manager did not receive incentive compensation from the Funds for serving as the manager to the Funds. Shima Capital will act in the best interest of its Clients and in accordance with the respective Funds' investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

Item 10.D.

Shima Capital and its supervised persons do not recommend or receive compensation for the selection of other investment advisers for the Clients.

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

Item 11.A.

Shima Capital has adopted a Code of Ethics (the “**Code**”), which sets forth standards of conduct that are expected of Shima Capital’s directors, officers, principals and employees and addresses certain conflicts of interests. The Code generally sets the standard of ethical and professional business conduct that Shima Capital requires of its personnel, sets forth the fiduciary obligations that Shima Capital and its personnel owe to the Clients, and requires personnel to comply with applicable federal securities laws and regulations.

The Code places certain requirements and/or restrictions on Shima Capital personnel with respect to personal trading transactions in certain securities, as well as certain transactions in digital assets, private placements, limited offerings, ICOs and initial public offerings. Shima Capital personnel must also report personal securities holdings annually and personal securities on a quarterly basis. Personal securities transactions by personnel who manage Client accounts are required to be conducted in a manner that does not disadvantage the Clients. Additionally, the Code and the Firm’s Compliance Manual (the “**Manual**”) include policies and procedures with respect to material non-public information and other confidential information, political contributions, gifts and entertainment and other matters related to certain potential conflicts of interest.

A copy of the Code is available to any Investor or prospective Investor upon request by using the contact information provided on the cover page of this Brochure.

Item 11.B. through Item 11.D.

Because Shima Capital manages multiple Client accounts, there may be conflicts of interest over the time devoted to managing any one Client account and allocating investment opportunities among all Client accounts that it manages. For example, Shima Capital selects investments for each Client based primarily on investment considerations for that Client. Different Clients may have differing investment strategies and expected levels of trading and investments. Shima Capital may buy or sell an investment for one Client but not for another or may buy (or sell) an investment for one type of Client while simultaneously selling (or buying) the same security for another Client. Shima Capital attempts to resolve all such conflicts in a manner that is fair and equitable to all Clients.

Shima Capital may make investment decisions for, and take action on behalf of, any of its Clients that differs from the investment decisions it makes or the timing or nature of action that it takes on behalf of any other Client so long as it is Shima Capital’s policy, to the extent practicable, to allocate investment opportunities to Clients fairly and equitably over time. Shima Capital is not obligated to acquire for any Client any investment that the Firm or its personnel may acquire for its or their own accounts or for any other Client, if in Shima Capital’s

absolute discretion, it is not practical or desirable to acquire a position in such investment for that account.

Shima Capital's personnel may participate in other activities outside of the Firm. Conflicts may arise as a result of such activities. The possibility exists that the companies with which one or more of the Firm's investment professionals or other personnel are involved with could engage in transactions that would be suitable for the Clients, but in which the Clients might be unable to invest.

Item 12: Brokerage Practices

Item 12.A.

Transactions in digital assets by Shima Capital on behalf of the Clients will be either privately-placed, on digital exchanges or over the counter ("OTC") with or without the use of a broker-dealer.

Shima Capital does not currently engage in the use of soft dollars.

Shima Capital does not participate in selecting or recommending broker-dealers in exchange for Client referrals.

Item 12.B.

Transactions implemented by the Firm for Client accounts may be effected independently or on an aggregated basis. When transacting in publicly-traded digital assets and/or securities on behalf of more than one Client, Shima Capital may, but shall be under no obligation to, aggregate (to the extent permitted by applicable law and regulations) the digital assets to be purchased or sold in order to seek more favorable prices, lower commissions or more efficient execution. Transactions may be combined for all such Clients, and if any order is not filled at the same price, they may be allocated on an average price basis, in the discretion of Shima Capital. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, digital assets and/or securities may be allocated among the different accounts on a basis which Shima Capital or its affiliates consider fair and equitable. There is a risk that the Clients may receive varied pricing for the same or similar assets as certain Digital Asset exchanges may not provide for bulk trading or delayed settlement. In such a case, average pricing between the Clients may not be offered, and Shima Capital may only be able to execute orders for each participating Client separately. Each such Client would receive the pricing attributable to its own executed order and such pricing may vary materially among the participating Clients. Shima Capital will determine the appropriate number of transactions to place with exchanges and will select the appropriate counterparties based upon its determination of who will likely provide best execution. The Firm may at times determine that certain investments will be suitable for acquisition by more than one Client. Shima Capital may face actual or potential conflicts of interest when allocating investment opportunities among

Client accounts. Shima Capital will endeavor in good faith to allocate investment opportunities among the applicable Client accounts in a fair and equitable manner and in accordance with the terms of its trade allocation policies and the applicable Governing Documents for such Clients; provided, however, that such allocations shall be reviewed periodically to confirm no Client is systematically disadvantaged by this policy.

Item 13: Review of Accounts

Item 13.A. and 13.B.

Client holdings are reviewed on a regular basis to determine their conformity with such Client's risk parameters, investment objectives, and guidelines. Shima Capital regularly monitors the investments of the Clients. Shima Capital's investment personnel periodically convene to evaluate each position's conformance with the relevant Client's Governing Documents, including the offering memorandum and any investment limitations, restrictions or risk parameters.

Item 13.C.

Investors in the Funds will typically receive, among other things, a quarterly report with respect to the applicable Fund's portfolio investments and audited financial statements on an annual basis. Shima Capital may also, from time to time and in its sole discretion, provide additional information relating to the Clients to one or more Investors as they deem appropriate.

Item 14: Client Referrals and Other Compensation

Item 14.A.

Shima Capital does not receive any economic benefits from any person who is not a Client for providing investment advice or advisory services to the Clients.

Item 14.B.

Currently, Shima Capital does not have any active arrangements with placement agents or arrangements to compensate third party persons or entities for client referrals or to solicit Clients. Shima Capital may in the future enter into agreements with certain solicitors or placement agents that provide for compensation to be paid to the solicitor or placement agent for referring Investors.

Item 15: Custody

Given that Shima Capital acts as an investment adviser to the Funds, Shima Capital may be deemed to have custody of certain client assets under current applicable regulatory interpretations. As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Advisers Act, all assets of the Funds are held by qualified custodians to the extent possible. Because of the nature of digital assets, some digital assets can only reside on certain custodial platforms that may not meet the definition of a qualified custodian. Investments in unregistered securities of private companies may be held by Shima Capital. On an annual basis, Shima Capital is required to deliver to the Funds' investors audited financial statements within 120 days of fiscal year-end.

Item 16: Investment Discretion

Shima Capital has discretionary authority to manage securities accounts on behalf of Clients and therefore, determines which securities and the amounts of securities it buys and sells for Clients. This authority has been granted to Shima Capital by means of the execution of the relevant organizational and/or advisory agreements (e.g., investment advisory agreement) that set forth the scope of Shima Capital's discretion with respect to the Fund.

Item 17: Voting Client Securities

Shima Capital has voting authority due to the fact that it has discretionary authority over the securities held by its Clients. Accordingly, Shima Capital understands its fiduciary responsibility to monitor corporate events, to vote proxies and cast votes in the best economic interests of its Clients, and to not put client interests second to its own economic interests.

Shima Capital has adopted the proxy voting policies and procedures set forth in its Compliance Manual to identify and address material conflicts of interest related to voting proxies. Under our proxy voting policy, Shima Capital will generally vote proxies in accordance with the recommendation of the issuing company's management on routine and administrative matters unless Shima Capital has a particular reason to vote to the contrary. Non-routine matters will be voted on a case-by-case basis in a manner that serves the Clients' best interest. Under certain circumstances, we may abstain from voting specific proxies if we believe that doing so is in the best interests of our Clients. Furthermore, under our proxy voting policy, we may not vote proxies issued by companies if our Clients no longer have any economic exposure to the issuer.

Clients are not permitted to direct Shima Capital's vote in a particular proxy solicitation.

Clients may obtain information regarding how Shima Capital voted its securities by requesting records of the Chief Compliance Officer, who is responsible for retaining all records related to proxy voting. Additionally, Clients may obtain a copy of Shima Capital's proxy voting policies and procedures upon request to the Chief Compliance Officer.

Item 18: Financial Information

Item 18.A.

Shima Capital does not require nor solicit pre-payment of more than \$1,200 in fees per Client, six months or more in advance.

Item 18.B.

Shima Capital is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to Clients.

Item 18.C.

Shima Capital has not been the subject of a bankruptcy petition at any time during the past ten years.