

3 Management Co, LLC

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This brochure (this "Brochure") provides information about the qualifications and business practices of 3 Management Co, LLC. If you have any questions about the contents of this Brochure, please contact us by e-mail at joe@dream.co. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Registration as an investment adviser does not imply that 3 Management Co, LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about 3 Management Co, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

3 Management Co, LLC filed its last amendment to this brochure on April 14, 2023. There are no material changes to this report since the last amendment was filed. However, all investors are encouraged to read this Brochure in its entirety.

Item 3. Table of Contents

Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	4
Item 6.	Performance-Based Fees and Side-By-Side Management	5
Item 7.	Types of Clients	6
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9.	Disciplinary Information	21
Item 10.	Other Financial Industry Activities and Affiliations	22
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	22
Item 12.	Brokerage Practices.....	22
Item 13.	Review of Accounts	24
Item 14.	Client Referrals and Other Compensation	24
Item 15.	Custody.....	24
Item 16.	Investment Discretion	24
Item 17.	Voting Client Securities	25
Item 18.	Financial Information	25
Item 19.	Requirements for State-Registered Advisers	25

Item 4. Advisory Business

3 Management Co, LLC (the “Adviser”) is a Delaware limited liability company that was formed in June 2022. The Adviser is controlled by Joe Gerber and Reuben Brama (the “Owners”), each of which own a 50% interest in the Adviser.

The Adviser provides investment advice to private funds (each a “Fund,” or collectively, the “Funds”). We also establish a general partner for each Fund that is affiliated with the Adviser (each a “General Partner”). In the future, we may also provide investment advice to additional private funds and separately managed accounts for institutional, non-retail investors (“SMAs”). References throughout this document to “clients” refer to the Funds and any other private funds and SMAs that we may advise in the future.

The Funds will be managed in accordance with their own investment objectives, as described in their respective Governing Documents and governing agreements (together, the “Governing Documents”). The Adviser will not permit limited partners in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents.

The Adviser does not participate in wrap fee programs.

As of December 31, 2023, we managed approximately \$177,540,255 of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

Fees and compensation will be described in the Funds’ Governing Documents.

Management Fee

The Adviser is paid a management fee from the Funds quarterly in advance. The management fee will generally be equal to 2.5%-3% of each limited partner’s capital commitment in the fund through the fifth anniversary of the activation date (as defined in the fund’s governing documents). Subsequently, the management fee will be the 2.5%-3% of the aggregate amount of the capital contribution of each limited partner in respect of investments that have not been disposed of, less any return of capital. Once paid, the management fees will be non-refundable, but will be appropriately prorated to reflect any distributions and contributions which occur during a quarter. The Adviser expects to deduct such management fees from each Fund. The Adviser will, pursuant to a side letter or similar agreement with a limited partner, waive, reduce, defer or calculate differently the management fee for certain limited partners.

Carried Interest

The Adviser is entitled to receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

Fund Expenses

All organizational costs and expenses related to the offer and sale of Interests will be paid by the respective Fund incurring such costs and expenses. In addition, the Funds shall generally be responsible for the following ongoing costs and expenses: (i) management fees; (ii) all general investment expenses

(i.e., exchange commissions and expenses, data processing costs and expenses, research expenses, research and market data expenses, bank service fees, interest expenses, borrowing charges, custodial expenses, legal fees associated with the purchase of the investments and other investment expenses and other investment expenses); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) all fees, costs and expenses related to middle office operations which may include daily reconciliation of cash, cost, positions and valuations, dividends and interest accruals; (v) fees, costs and expenses of third-party service providers that provide such services; (vi) costs and expenses associated with preparing investor communications, printing and mailing costs; (vii) insurance costs and expenses; (viii) taxes and other governmental charges payable by the Fund; (ix) governmental licensing, filing and exemption fees; (x) indemnification obligations; (xi) all expenses (including reasonable attorneys' fees) incurred in connection with any threatened, pending, or anticipated litigation, Internal Revenue Service (the "IRS") examination or audit, or similar audit or examination by any state or local taxing authority, or other legal proceeding; and, (xii) any extraordinary expenses.

The Fund may be subject to additional fees, expenses, allocations, and charges in connection with other vehicles to which the Fund's assets are allocated. Any such fees, expenses, allocations, and charges will be determined according to the agreements governing the Fund's relationship with such vehicles. Compensation arrangements may vary among the vehicles.

The Adviser shall have the right to charge any limited partner, and not treat as a Fund expense, any expense attributable to a single limited partner or a small group of limited partner, including, without limitation, additional accounting expenses incurred in providing a calculation of unrelated business taxable income, if any, to particular limited partners. In addition, the Adviser may charge any class of limited partners, and not treat as a Fund expense as a whole, any expense attributable to the relevant class, including expenses attributable to individual assets held by a single class.

Investors should carefully review the Fund's Governing Documents for additional information relating to expenses paid by the Funds, which may vary by Fund.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

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

The General Partner is entitled to receive carried interest distributions from the relevant Fund. Carried interest is a performance-based form of compensation in which a General Partner is entitled to receive a specified share of the profits earned by each Fund after its investors have realized a preferred rate of return on their investments in the Fund. Investors and prospective investors are encouraged to carefully review the Governing Documents for each Fund for details on how the carried interest is determined for such Fund.

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Performance-based compensation arrangements could also create an incentive for us to favor accounts with higher performance-based compensation rates over other accounts when allocating investments. The Adviser has adopted procedures designed and implemented to ensure that all Funds are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among them. All investment opportunities will, to the extent

practicable, be allocated among the Funds on a basis that over time is fair and equitable to each Fund relative to other Funds, taking into account all relevant facts and circumstances.

Item 7. Types of Clients

Investors in the Funds are high net worth individuals, family offices, funds of funds and other institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds is set forth in the Funds’ Governing Documents. The Adviser may waive such minimum under certain circumstances.

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

The Fund’s objective is to achieve capital appreciation through investments in venture capital, private equity, and various digital assets. The Fund may also make equity, debt, or other investments, in the Adviser’s discretion.

There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses.

The Fund invests in a select array of early-stage projects, incubations, fair launches, and other opportunities that are sourced on a proprietary basis by the Adviser’s network of partners and advisers, or otherwise developed or created by affiliates of the Adviser. The Adviser will also attempt to deliver complimentary exposure to certain digital assets through targeted and opportunistic trading of digital assets, by generally employing a passive long-only strategy. The Fund may also participate in the staking of digital assets and similar yield-generating activities.

The Fund’s assets may be allocated to early stage companies, open market investments, and portfolio companies formed by affiliates of the General Partner and the Adviser. The Adviser may also invest the Fund’s assets in traditional equity, debt and other instruments in its discretion.

In addition to providing venture capital, the Adviser aims to more deeply partner with startups by facilitating the provision of design services in exchange for securities or digital assets. The Adviser believes this is one of its differentiators and will aim to help the Fund have access to potentially highly competitive investment deals while receiving larger ownership stakes and allocations as a value-added investor and co-creator with its affiliates.

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

Risk Factors

An investment in each Fund will be speculative and will involve a high degree of risk. There can be no assurance that the investment objectives of any Fund will be achieved or that an investment in a Fund will generate positive returns. The Funds will have substantial limitations on investors’ ability to withdraw or transfer their interests or shares, and no secondary market for the Funds’ interests or shares exists or is expected to develop. In addition, investing in securities involves risk of loss that limited partners should be prepared to bear.

All of the risks associated with the investment strategy and investing in a Fund will be described in detail in each Fund's Governing Documents. Prospective investors are strongly urged to review the applicable Governing Documents carefully and consult with their own financial, legal and tax advisers before investing in a Fund.

General Risks of Fund Investments

Opportunistic Investing. All opportunistic, or event-related, investment strategies are subject to the risk that the opportunity or event foreseen will not come to pass. Numerous factors, including market or industry developments and economic factors, can cause this.

Long-Term Investments. Although investments by the Fund may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made.

Broad Investment Mandate. Except as described in this the Fund's Governing Documents, there are no material limitations on the instruments, markets, or countries in which the Fund may invest or the specific investment strategies that may be employed. In light of the Fund's broad investment mandate, the Fund may make equity and/or debt investments that do not involve control or influence over the underlying portfolio company. The Fund will be permitted to invest (and may actually invest) in any number of companies operating in a wide range of industries or activities. The Fund's portfolio may be concentrated at various points over time, including, for example, with respect to the number of investments included in the portfolio, the nature of such investments and the geographies or industry sectors represented by the companies in which the Fund invests.

Risk of Limited Number of Investments. The Fund expects to participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as described in the Fund's Governing Documents, there is no assurance as to the degree of diversification of the Fund's investments, either by geographic region, industry, or transaction type. To the extent the Fund concentrates investments in a particular issuer, industry, instrument, or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Moreover, there are no assurances that all of the Fund's investments will perform well or even return capital. Therefore, if certain investments perform unfavorably, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case.

Changes in Investment Strategies. The General Partner and the Adviser have broad discretion to expand, revise or contract the Fund's business without the consent of the limited partners. The Fund's investment strategies may be altered, without prior approval by, or notice to, the limited partners, if the General Partner and the Adviser determine that such change is in the best interest of the Fund.

Undisclosed Investing Strategy. The General Partner and the Adviser's investment strategy and the techniques that will be employed to attempt to reach the Fund's goal are proprietary and will not be disclosed to potential investors (or to limited partners). As a result, a potential investor's decision to invest in the Fund must be made without the benefit of being able to review and analyze the General Partner and the Adviser's strategy and techniques.

Equity / Debt Investment Risks

Equity Securities. The value of the equity securities held by the Fund are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.

Control Position Risk. Although non-control investments may be made, the Fund may also make investments that allow the Fund to acquire control or exercise influence over management and the strategic direction of a portfolio company. The exercise of control over a company imposes additional risk of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristics of business operations may be ignored. The exercise of control over an investment could expose the assets of the Fund to claims by such portfolio companies, its shareholders, and creditors. While the General Partner and the Adviser intend to manage the Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded.

Non-Controlling Investments. The Fund may also hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies, although as a condition of investment in a portfolio company, it is expected that appropriate shareholder rights generally will be sought to protect the Fund's interests. There can be no assurance that such rights will be available or that such rights will provide sufficient protection of the Fund's rights.

Risks Associated with Private Equity Investments. Investments in private equity-related assets are subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial conditions of portfolio companies, changes in the availability of terms of financing, changes in interest rates, exchange rates, corporate tax rates and other operating expenses, environmental laws and regulations, and other governmental rules and fiscal policies, energy prices, changes in relative popularity of certain industries or the availability of purchasers to acquire companies, risks due to dependence on cash flow, risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses, war, terrorism, earthquakes, hurricanes or floods and other factors which are beyond the control of the Fund. Additionally, private equity investments typically exhibit a value development pattern commonly known as "J curve," in which the net asset value typically declines during the early years of the Fund's life as fees and expenses are incurred before investment gains, if any, have been realized.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing, and realizing attractive private equity investments is highly competitive, and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, including changes in long-term interest rates, certain types of investments may not be available to the Fund on terms that are as attractive as the terms on which opportunities were available to previous investment programs sponsored by the Fund, the General Partner, the Adviser, or its affiliates. The Fund will be competing for investments with many other private equity investors, as well as companies, public equity markets, individuals, financial institutions, and other investors. Furthermore, over the past several years, an ever-increasing number of private equity funds have been formed and many such existing funds have grown substantially in size, resulting in an unprecedented amount of capital available for private equity investment. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Consequently, it is possible

that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Fund and adversely affecting the terms upon which investments can be made. The Fund will incur bid, due diligence, or other costs on investments which may not be successful. As a result, the Fund may not recover all of its costs, which would adversely affect returns. Participation in auction transactions will also increase the pressure on the Fund with respect to pricing of the transaction. The Fund will be dependent upon the judgment and ability of the Adviser in sourcing transactions and investing and managing the capital of the Fund. There can be no assurance that the Fund will be able to locate, consummate, and exit investments that satisfy the Fund's rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital. To the extent that the Fund encounters competition for investments, returns to investors may decrease.

Fixed-Income Securities. The value of fixed-income securities (including sovereign debt instruments) in which the Fund may invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed-income instruments may fluctuate in response to changes in the economic environment that may affect future cash flows. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline. The longer a debt security's duration, the more sensitive such debt security is to this risk.

Privately Owned Companies. Private company securities may be subject to legal or other restrictions on transfer or may have no liquid market, and it may be impossible to sell such investments when desired or to realize their fair value in the event of a sale. Moreover, as a result of the absence of a public trading market for these securities, there is likely to be substantially less liquidity than publicly traded securities and, therefore, substantial delays in attempting to realize such non-publicly traded securities. Further, companies whose securities are not registered or publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were registered or publicly traded.

Limited Voting Rights in Private Company. The Fund may have no voting rights or limited voting rights in the private company whose securities it has purchased. As holders of secondary shares, the Fund may not be able to vote on any matter submitted to a vote of the private company members, including with regards to the private company securities in which the Fund holds an interest. Any resulting decisions may not be in the best interest of the Fund, may be contrary to the decision that the Fund would have made, and may adversely affect the Fund's interests.

Lack of Management Control in Private Company. The Adviser and/or General Partner may not have the right to participate in the management, control or operation of the private company whose securities it has purchased. The private company may be managed, and all of the private company's powers may be exercised, by and under the direction of a board of directors. Pursuant to the company's operating agreement, which may be amended from time to time, the board may make decisions that may not be in the best interest of the Fund and may adversely affect the Fund's interests. Such decisions may include withholding distributions to limited partners, selling or issuing additional shares to existing or new limited partners, which may cause existing limited partners such as the Fund to experience a dilution in the value per share of its investment, or under certain circumstances, causing the Fund's dissociation, thereby terminating its interest in the private company's shares.

Cash and Cash Equivalents. The Fund may invest its excess funds, if any, in government securities, money market funds, commercial paper, certificates of deposit and bankers' acceptances and other money market instruments deemed appropriate by the Adviser. Such instruments have different risk characteristics, depending on the issuer and term, and higher-yield instruments will involve greater risk. The performance of money market instruments may be affected by adverse events in the market such as counterparty defaults, an increase in underlying credit risk, changing interest rates, and inflation. The Fund's performance could be adversely affected if an issuer of a money market instrument suffers an adverse change in financial condition that results in a payment default, security downgrade or inability to meet a financial obligation. Rising interest rates could cause the value of the Fund's investments to decline, while any decline in interest rates may cause the Fund's yield to decline. The liquidity of portfolio securities can deteriorate rapidly due to credit events affecting issuers or guarantors or due to general market conditions and a lack of willing buyers. Although short-term securities are relatively stable investments, it is possible that the securities in which the Fund invests will not perform as expected. Additionally, investing in such instruments may result in the Fund's investment results underperforming market indices or underperforming a portfolio which is 100% invested without any cash or cash equivalent holdings.

Convertible Securities. Convertible securities ("Convertibles") are generally debt securities or preferred stocks that may be converted into common stock. Convertibles typically pay current income as either interest (debt security convertibles) or dividends (preferred stocks). A Convertible's value usually reflects both the stream of current income payments and the value of the underlying common stock. The market value of a Convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a Convertible usually falls. Since it is convertible into common stock, the Convertible generally has the same types of market and issuer risk as the underlying common stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risks, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk as demand can dry up periodically, and bid/ask spreads on bonds can widen significantly.

Preferred Securities. Investment in preferred securities carries certain risks including: (i) deferral risk; (ii) redemption risk; (iii) limited voting rights; (iv) subordination; and (v) liquidity.

- **Deferral Risk** – Typically preferred securities contain provisions that allow an issuer, at its discretion, to defer distributions for up to 20 consecutive quarters. If the Fund owns a preferred security that is deferring its distributions, the Fund may be required to report income for tax purposes while it is not receiving any income.
- **Redemption Risk** – Preferred securities typically contain provisions that allow for redemption in the event of tax or security law changes in addition to call features at the option of the issuer. In the event of a redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return.
- **Limited Voting Rights** – Preferred securities typically do not provide any voting rights.
- **Subordination** – Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt instruments.
- **Liquidity** – Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.

Investments in Less Established Companies; Risk of Fraud in Portfolio Companies. The Fund may invest a portion of its assets in the securities of less established companies and family-owned companies. Investments in such early-stage or family-owned companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by the Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger more established companies. Less established companies and family-owned companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operation, will have negative cash flow. In addition, less mature and family-owned companies could be deemed to be more susceptible to irregular accounting or other fraudulent practice. In the event of fraud by any company in which the Fund invests, the Fund may suffer partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments.

Digital Assets Investment Risks

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 and will likely continue to be extremely volatile. Digital Asset exchanges have been closed and/or highly regulated due to fraud, failure or security breaches. Any of the Fund's 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 any 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.

Digital Asset Exchanges. The Digital Asset exchanges on which Digital Assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, Digital Asset exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase Digital Asset, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of Digital Asset, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Asset from a personal account to a third-party's account. The Fund will take credit risk of an exchange every time it transacts.

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

Digital Asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Digital Asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges.

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

Risks Associated with Investing through Decentralized Exchanges (“Dexes”)

- *Dependence on a Few Dexes.* There are currently very few decentralized, non-custodial protocols with platforms through which the Fund may invest. If platforms representing any significant portion of the decentralized credit market were to dissolve, liquidate, become bankrupt or otherwise cease operations, change their business, and cease originating loans, the Fund would be unable to fulfill its investment objective.
- *Dexes Dependent on New Technology.* Dexes are in the rapidly changing fields of blockchain technology and the Digital Assets markets and face special risks. The Adviser has no control over and limited visibility into future technological developments. The rapid pace of technological development creates the risk that a Dexes' products and services become obsolete, fail to gain meaningful market share, or fall out of favor as more appealing and advanced technologies and products emerge. A Dexes' 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. For these and other reasons specific to the lending industry, investments through Dexes which operate in blockchain technology industries pose greater risks than those in certain other sectors.
- *Limited Supply of Investments.* The Adviser's ability to execute its investment strategy depends on its ability to access a sufficient supply of stablecoins or other Digital Assets. The extent of such supply is outside of the Fund's and the Adviser's control. The Fund may not be able to acquire investments in the quantities and at the times it otherwise desires. In such cases, the Fund may hold large cash positions for extended periods of time, which may adversely affect its performance. In addition, if insufficient attractive investments are available, the Fund may not accept additional capital, which could cause greater concentration in the Fund's portfolio and cause the Fund's expense ratio to be higher than it would with a larger asset base.

The Fund must also compete with other investors for investment opportunities on Dexes. Competition for investment opportunities may adversely affect the terms of the investments and may prevent the Fund from finding a sufficient number of attractive opportunities to meet its investment objectives.

- *Regulatory Risks Due to Novelty of Decentralized Credit Models.* Decentralized credit models are fairly new, and their compliance with various aspects of regulatory regimes applicable to consumer credit transactions is untested. A federal or state regulator could take a position that a Dexes' activities (and perhaps the activities of the lenders/borrowers/members of those platforms, such as the Fund) do not comply with applicable law. Further, there is a risk that Dexes are mandated to comply with Anti-Money Laundering (AML) and Know Your Customer (KYC) regulations applicable to traditional lenders as well as jurisdiction-specific lending laws. Any such regulatory action could adversely affect the Fund and the limited partners.
- *Lack of Transparency.* The Adviser selects investments for the Fund and executes its investment strategy based in part on information and data that Dexes make available to their users, including interest rates set by these platforms. The Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.
- *Scalability Risk.* Although the Adviser believes that the decentralized finance ecosystem presents an opportunity for attractive returns as compared to other fixed income markets, there is a possibility that as additional capital enters any decentralized exchange the interest rates and potential for returns will diminish which will negatively affect the Fund's returns.
- *Collateral and Borrower Default Risks.* The Fund is subject to various risks associated with the collateral securing the loans invested in by the Fund. The prices of Digital Assets can be extremely volatile, and the value of collateral pledged by a borrower may decrease, resulting in the borrower's loan being under-collateralized. If the value of the collateral decreases and in the event the Fund were forced to liquidate the collateral upon a buyer's default, there is no assurance that liquidation of any collateralized Digital Assets would satisfy a borrower's obligations under the applicable loan. Although borrowers on most Dexes are required to "over-collateralize" i.e. post collateral valued greater than the value of the loan (typically 120%- 150%), the frequent and rapid volatility of Digital Assets may result in a situation where the value of the collateral that a borrower posted falls so rapidly that despite algorithmic liquidation triggers there is insufficient collateral value left over to repay the loan.

Due to the volatility of pricing Digital Assets, there may not be significant demand for a particular digital currency or digital asset, and the Fund may have difficulty liquidating certain Digital Assets held as collateral if a borrower defaults.

- *Interest Rate Risk.* The loans invested in by the Fund are subject to interest rate risk, which relates to changes in a loan's value as a result of changes in interest rates generally. Certain of the interest rates selected by the Dexes utilized by the Fund are variable and can fluctuate even after a loan has been made. Accordingly, the Fund may earn a lower interest rate on loans it has invested in if the interest rate is lower than the rate applicable at the time the Fund made the investment. Additionally, the interest rates applicable to the loans invested in by the Fund are determined by the Dexes through which such loans are made. Neither the Adviser nor the Fund has control over the interest rates applicable to such loans.
- *Liquidation Risk.* The Fund is also subject to liquidation risks when borrowing Digital Assets. Dexes utilized by the Fund or lenders of loans invested in by the Fund may force liquidation of the Digital Assets offered by the Fund as collateral for loans. Generally, liquidation will be forced if the loan is defaulted on or if the value of the posted collateral falls below a specific collateral ratio in comparison

to the value of the amount borrowed. If liquidation is forced the Fund may be required to pay a liquidation penalty to the applicable decentralized exchange in addition to a separate discount on price of the amount of collateral sold, resulting in greater losses to the Fund's investments.

- *Technology Risk.* The software and technology of Dexes is experimental and new, and may now or in the future contain undetected bugs or security vulnerabilities. In addition, like digital exchanges, Dexes are appealing targets for cybercrime, hackers and malware. All of these risks could result in the loss of some or all assets held by the Fund.
- *Smart Contracts.* The loans invested in by the Fund utilize smart contracts. Smart contracts are computer codes that can be created and run by the users of the network on which such smart contract is based. A smart contract can take information as an input, process that information through the rules defined in the computer code and execute certain actions, such as digital currency or digital asset transactions, that have been programmed into the smart contract. The use of smart contracts creates risk exposure because smart contracts use experimental cryptography. The occurrence of software bugs or other flaws cannot be ruled out and could potentially result in the theft or destruction of funds.
- *Ethereum Risk.* Many smart contracts are stored on the Ethereum network and the Fund will be subject to certain risks related to Ethereum. The development of the Ethereum platform could be impacted by one or more regulatory inquiries or regulatory actions. Additionally, the Ethereum Foundation exerts a strong influence on the Ethereum platform, and the centralization of such power could make the Ethereum platform less secure. The Ethereum platform is also subject to risks applicable to digital asset Networks as defined and further described below. Furthermore, the Ethereum platform may become destabilized due to the increased cost of running distributed applications, if the demand for ETH grows at a pace that exceeds the rate with which ETH miners can create new ETH tokens. A destabilization of the Ethereum platform could dampen interest in the Ethereum platform and ETH, making it more difficult for Ethereum-based businesses to operate, which could negatively impact the Fund and other users of such businesses.
- *Systemic Economic Risk.* Given the nascent state of the decentralized finance ecosystem, as well as interconnectivity of various protocols, there are unknown degrees of systemic risk.
- *Dependence on Service Providers.* Dexes rely on various parties to execute their business models. For example, Dexes administrators may rely on hardware security modules (HSMs), cloud based solutions for key management, and other critical operating infrastructure, which could be the subject of failure, loss, or theft. In such cases, administrative governance and control of the Dexes could be materially affected and, in some scenarios, lead to complete loss of funds. The platforms could be adversely affected if any such party ceases to provide those services, which would, in turn, adversely affect the Fund and the limited partners.
- *Operational Risk.* The Fund's investment strategy relies extensively on Dexes and Dexes' computer programs and systems to borrow or make loans, settle transactions and monitor its portfolio. The Adviser may not be in a position to verify the risks or reliability of such systems. If there is a failure in the price mechanism, or the occurrence of data manipulation or other failure to retrieve correct market data owing to price source issues, the value of collateral provided by a buyer for any loans invested in by the Fund may be determined incorrectly, which could adversely impact the Fund.

Stablecoin Specific Risks. Stablecoins are distinct from other Digital Assets in that their value is backed by the value of an underlying asset, such as fiat currency like USD, commodities, or other digital currencies. Stablecoins are subject to the same risks as other Digital Assets as set forth herein but are also subject to unique risks. While stablecoins are intended to be less volatile than Digital Assets, they are inherently subject to the volatility of the underlying assets they are pegged to. Fiat-based stablecoins are centralized, which exposes the holder of such stablecoins to counterparty risk, including but not limited to, a centralized entity that issues the applicable stablecoin and manages the fiat conversion. Specifically, fiat-based stablecoins require the holder of such stablecoins to rely on the issuer to have sufficient reserve to back up all of the issued stablecoins. For example, USDT issued by Tether is subject to controversy due to the lack of transparency and claims that Tether does not hold sufficient USD reserves to back all of the issued USDT tokens, which resulted in a significant drop in value of USDT October 2018. Further, fiat-based stablecoins are subject to greater oversight and regulation, and will be further dependent on the banking industry and other geopolitical factors, all of which could affect the value of such stablecoins. Digital currency backed stablecoins are inherently more volatile than stablecoins backed by fiat or commodities. The collateral backing digital currency based stablecoins is held in smart contracts and the underlying digital currency can be immediately liquidated if the value of such digital currency falls below a certain threshold. Further, if the underlying digital currency loses too much value, the system may become under-collateralized and there is potential the stablecoin itself will be liquidated. In addition, there is a risk that the underlying digital currency held as collateral is not adopted or accepted on other platforms, which increases borrower default risk.

Investment in Digital Asset / Technology Companies. The Fund may make investments in companies involved in the Digital Asset or technology industry in general. Concentration in these industries may involve risks greater than those generally associated with more diversified funds and may experience significant fluctuations in returns. The Digital Asset and technology sectors are challenged by various factors, including rapidly changing market conditions and participants, new competing products and services and improvements in existing products and services. Some of the Digital Asset and technology companies the Fund invests in may compete in this volatile environment. There is no assurance that products or services created or sold by such companies will not be rendered obsolete or adversely affected by competing products and services, new technology, or other challenges, or that such company or the Fund will be able to adequately enforce intellectual property rights. Instability, fluctuation, or an overall decline within the Digital Asset or technology industries may not be balanced by investments in other industries not so affected. In the event that the Digital Asset or technology sectors decline or that the Fund is unable to adequately enforce intellectual property rights, returns to the Fund may decrease.

Trading on Digital Asset Networks. The Fund will convert U.S. dollar contributions made by limited partners to Digital Assets over specific networks, as applicable. The Fund may use certain Digital Assets to purchase other Digital Assets. Many Digital Asset networks are online end-user-to-end-user networks that host a public transaction ledger, known as the blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many Digital Asset transactions, the recipient of the Digital Asset must provide its public key, which serves as an address for a digital wallet, to the party initiating the transfer. In the data packets distributed from Digital Asset software programs to confirm transaction activity, each Digital Asset user must “sign” transactions with a data code derived from entering the private key into a “hashing algorithm,” which signature serves as validation that the transaction has been authorized by the owner of such Digital Asset. This process is vulnerable to hacking and malware, and could lead to theft of the Fund’s digital wallets and the loss of the Fund’s Digital Assets. Many Digital Asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such Digital Asset exchanges were not

compensated or made whole for the partial or complete losses of their account balances in such Digital Asset exchange.

Intellectual Property Rights Claims May Adversely Affect the Operation of Digital Asset Networks. Third parties may assert intellectual property claims relating to the operation of various Digital Assets and their source codes relating to the holding and transfer of such assets. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in a Digital Asset's long-term viability or the ability of end-users to hold and use Digital Assets may adversely affect an investment in the Fund. Additionally, a meritorious intellectual property claim could prevent the Fund and other end-users from accessing a Digital Asset network or holding or transferring their Digital Assets, which could force the Fund to terminate and liquidate the Fund's Digital Assets (if such liquidation of the Fund's Digital Assets is possible). As a result, an intellectual property claim against the Fund could adversely affect an investment in the Fund.

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

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

Initial Coin Offerings Risk. The Fund may invest some of its Digital Assets in initial coin offerings ("ICOs"). ICOs allow for investors to purchase certain Digital Assets offered or created by blockchain based companies on various platforms in exchange for dollars or already established Digital Assets which can then be converted to dollars on a Digital Asset exchange. Prior to an ICO, many blockchain based companies offer presale tokens or Digital Assets. Presale tokens or currencies may be sold or used to buy additional tokens or currencies at a later point in time for a potentially higher value than originally purchased for. The Fund may invest in all stages, including presale rounds of ICOs. ICOs and various token presales are currently unregulated and are subject to fraud, security breaches, regulatory developments, enforcement actions, and technological developments. There is no guarantee that the token or currency purchased will have any value or worth. ICOs can at any point become subject to federal and state securities laws, federal commodity laws, and various international regulations, among other restrictions. The SEC has issued a release stating that, depending on the specific facts and circumstances of the Digital Asset in question, some ICOs may fall under securities regulation. Such future restrictions may have an adverse impact on the Fund's assets or on the Fund's ability to sell its assets. As investors can purchase new tokens with already existing Digital Assets, investments in ICOs and presales subject the Fund to all risks associated with Digital Assets in general.

Simple Agreement for Future Tokens. The Fund's assets may be invested in ICOs through Simple Agreements for Future Tokens ("SAFTs"). SAFTs are agreements that offer the right to a Digital Asset (e.g. tokens) at a later point in time, usually upon the triggering of a condition outlined in the agreement. SAFTs that the Fund invests in may offer the right to Digital Assets that have some characteristics of equity

securities, such as obtaining an interest in a company. Consequently, such tokens are subject to the same risks as equity securities. Such tokens may be subject to legal or other restrictions on transfer, may have no liquid market, may afford limited voting rights to the holder of the token, and might have a lack of control in the management of the issuer of the token. SAFTs are also subject to some of the same risks as ICOs including, but not limited to, fraud, security breaches, regulatory developments, enforcement actions, failure of the conditions of the agreement to memorialize, no guarantee in value or worth of the underlying token, and technological developments. Such risks may have an adverse impact on the Fund's assets or on the Fund's ability to sell its assets. SAFTs further subject the Fund to all risks associated with Digital Assets in general.

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

Amendments to a Digital Asset Network's Protocols and Software Could Adversely Affect the Fund's Investment and Trading Activities. Digital asset networks (collectively, "Networks") are typically based on protocols that govern peer-to-peer interactions between computers connected to a digital asset's Network. Generally, the code that sets forth a digital asset's protocol is informally managed by a development team known as the core developers. A digital asset's core developers, miners, and/or users (each such core group in respect of a particular digital asset, the "Community") can propose amendments to a Network's source code through one or more software upgrades that alter such digital asset's protocols, the software that govern its Network and the properties of the digital asset itself, including, but not limited to, the irreversibility of transactions and limitations on the mining/creation of new digital asset units. To the extent that a majority of a Community installs such software upgrade(s), such digital asset's Network could be subject to new protocols and software that may adversely affect the Fund's investment and trading activities. If less than a majority of a Community installs such software upgrade(s), such digital asset's Network could "fork."

Many digital assets are open source projects and, although there may be an influential group of leaders in a specific Community, there may be no official developers or group of developers that formally control the applicable Network. For many digital assets, any individual can download the applicable Network software and make any desired modifications, which are proposed to the relevant digital asset's Community through software downloads and upgrades. However, the Community must usually consent to those software modifications by downloading the altered software or upgrade that implements the changes; otherwise, the changes do not become a part of that Network. A developer or group of developers could potentially propose a modification to a Network that is not accepted by the applicable Community, but that is nonetheless accepted by a substantial portion of such Community. In such a case, a "fork" in the blockchain could develop and two separate Networks could result, one running the pre-modification software program and the other running the modified version (i.e., a second such Network in respect of the same digital asset). Such a fork in the blockchain typically would be addressed by Community-led efforts to merge the forked blockchains. This kind of split in a Network could materially

and adversely affect the value of Fund investments and, in the worst-case scenario, harm the sustainability of the applicable digital asset's economy.

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

Forks and Airdrops. The blockchain code for a Digital Asset may be split, resulting in two different Digital Assets: one that is unaltered and a second, new Digital Asset whose code is based on but differs from the original Digital Asset's code (a "Hard Fork"). Further, new Digital Assets may be distributed via "airdrops" to holders of certain existing Digital Assets (an "Airdrop"). New Digital Assets provided via a Hard Fork or Airdrop are provided involuntarily and without consideration. A Hard Fork or Airdrop may affect the value of the original Digital Asset. The Adviser and/or the General Partner, in their sole discretion, may elect to claim the new Digital Asset created as a result of a Hard Fork or Airdrop. Further, various exchanges, custodians, wallets, or other storage solutions may not accommodate such Hard Forks or Airdrops or may only accommodate such Hard Forks or Airdrops after a significant period of time. Additionally, the Adviser and/or the General Partner may not have any systems in place to monitor or participate in Hard Forks or Airdrops. Therefore, the Fund may not receive any new Digital Assets created as a result of a Hard Fork or Airdrop, thus losing any potential value from such Digital Assets.

Custody of Fund Assets. Custody of the Fund's Digital Assets shall be maintained with third-party custodians selected by the Adviser, on or within hot wallets on exchanges and/or controlled by the Adviser. To the extent the Adviser maintains custody of any of the Fund's digital currencies, the Adviser shall select or generate the private keys that control movement of the currencies for cold storage/hardware and/or paper wallets, and/or on "air-gapped" computers utilized by the Fund, and/or using multi-signature technology. Several of the Fund's exchanges may be unable to provide for "cold wallet" storage. Such exchanges and wallets have developed security systems to maintain confidential access to the private keys that have been generated and which control movement of the currencies. The Adviser may not be able to obtain control of the private keys generated by the exchanges utilized by the Fund, because each exchange may use different methodologies and security systems. The Adviser employs a comprehensive due diligence process to select exchanges and wallets that it determines have developed sophisticated security systems, and will continue to reevaluate the due diligence process and the security systems of the various exchanges and wallets. However, the systems and methodologies of the exchanges and wallets utilized by the Fund may be subject to exposure from hacking, malware and general security threats. The Adviser is not liable to the Fund or to limited partners for the failure or penetration of the security system absent gross negligence, fraud or criminal behavior on the part of the Adviser. To the extent that the security system is penetrated, any loss of the Fund's digital currencies may adversely affect a Limited Partner's investment, and could result in total loss of capital.

Qualified Custodians and the Custody Rule. In 2003, the SEC amended Rule 206(4)-2 of the Investment Advisers Act (the “Custody Rule”), requiring investment advisers registered with the SEC to maintain custody of client funds and securities with “qualified custodians” (as defined under the Investment Advisers Act). Because the changes to the Custody Rule were implemented prior to the existence of digital assets, the Custody Rule (and the securities and commodities regulatory framework in general) did not contemplate or accommodate for the business and technological limitations of investments in the digital asset industry, which is still in a nascent stage. There are currently a limited number of qualified custodians in the digital asset space with limited capabilities with respect to the types and amounts of digital assets that they can maintain. In some cases, utilizing a third party custodian may provide less security for the Fund’s assets than a cold storage or self-custody solution. Depending on the Fund’s investments, it may be difficult or impossible to fully comply with the qualified custodian requirement. Further, it remains unclear how or whether the Custody Rule applies to digital assets. The SEC has not issued any guidance about whether digital assets are considered “client funds or securities” under the Custody Rule and whether investment advisers are required to maintain custody of digital assets with qualified custodians in order to comply with the rule. In the event future guidance or regulations with respect to the Custody Rule extend to digital assets, the Fund may be adversely affected. The Adviser is not limited in any way in determining the appropriate custody solutions to safeguard the Fund’s investments, and retains the right to use any third-party custodian, including qualified custodians, in the future as firms and digital asset custody standards begin to evolve.

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

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

Risk of Loss of Private Key. Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and such private keys would not be capable of being restored by the Fund. Any loss of private keys relating to digital wallets used to store the Fund’s Digital Assets could result in the loss of the Digital Assets and a Limited Partner could incur substantial, or even total, loss of capital.

Proof of Stake Risk. The Fund may invest some of its assets through protocols that verify transactions through a concept known as Proof of Stake (“PoS”). PoS generally allows holders of a digital asset to verify future transactions in a protocol based on various factors, depending on the rules of the protocol. Some protocols allow holders with a larger amount of the digital asset (i.e. stakes) deposited in the protocol to be awarded with additional digital assets through the verification of future transactions. Those with stakes in some protocols may also have the ability to govern and vote on how the protocol is controlled in the future. As PoS typically requires storing a large amount of the relevant digital asset for a potentially long period of time in order to verify future transactions on the protocol, such investments may be illiquid for an extended period of time before there is any return on investment. Such illiquidity could have an adverse effect on the Fund. To the extent the Fund invests any of its assets through PoS-based protocols, there is a risk that a protocol assesses a penalty against the Fund in connection with the Fund’s activities in verifying transactions in such protocol, which could result in a loss of some or all of the Fund’s digital assets that have been deposited in the protocol. Further, PoS is subject to the same risks associated with digital assets in general including, but not limited to, equipment failure, regulatory control, and a failure of the network which the stake is deposited on.

Risk of Loss Due to Incapacitation of Key Personnel. The principals of the Adviser and the General Partner are the sole individuals in possession of the unique private keys required to access the Digital Assets held by the Fund. Although the Adviser and General Partner may implement certain compliance provisions with respect to custody and the private keys, the incapacitation of the principals may result in the delay in accessing or loss of the private keys and, consequently, may result in the loss of the Digital Assets held by the Fund. In such an event, a Limited Partner could incur substantial, or even total, loss of capital.

Technology and Security. The Fund must adapt to technological change in order to secure and safeguard client accounts. While the General Partner and the Adviser believe they have developed an appropriate security system reasonably designed to safeguard the Fund’s Digital Assets from theft, loss, destruction or other issues relating to hackers and technological attack, such assessment is based upon known technology and threats. As technological change occurs, the security threats to the Fund’s Digital Assets will likely adapt and previously unknown threats may emerge. Furthermore, the Adviser and the General Partner believe that the Fund may become a more appealing target of security threats as the size of the Fund’s assets grows. To the extent that the Fund is unable to identify and mitigate or stop new security threats, the Fund’s Digital Assets may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of the Fund or result in loss of the Fund’s assets.

Trading Risks

Interest Rate Risk. Changes in interest rates can affect the value of the Fund’s investments in fixed-income debt securities such as bonds and notes. Increases in interest rates may cause the value of the Fund’s investments to decline. The Fund may experience increased interest rate risk to the extent it invests in lower rated securities, debt securities with longer maturities, debt securities paying no interest, such as zero coupon securities, or debt securities paying non-cash interest in the form of other debt securities (pay-in-kind securities).

Credit Risk. The issuer or the guarantor of a debt security, or the counterparty to a derivatives contract, may, in certain circumstances, be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Additionally, the value of collateral to a loan or underlying assets of derivative securities could decline. The degree of risk for a particular security may be reflected in its credit rating. Credit risk is greater for medium quality and lower-rated securities.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Fund from selling out of these illiquid securities at an advantageous price. The Fund intends to make investments that are subject to legal or other restrictions on transfer and for which no liquid market exists, such as private placements. There is no public market for such securities, and it may be impossible to sell such investments when desired or to realize their fair value in the event of a sale. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid.

Hedging Transactions. The Adviser on behalf of the Fund will not, in general, attempt to hedge all market or other risks inherent in the Fund's portfolio positions, and will hedge certain risks, if at all, only partially. The Fund may choose not, or may determine that it is economically unattractive, to hedge certain risks – either in respect of particular positions or in respect of its overall portfolio. The Fund's portfolio composition will commonly result in various directional market risks remaining unhedged. Even if the Adviser is successful in reducing or controlling risk through hedging, the cost of hedging may have the effect of reducing returns. Furthermore, it is possible that the Adviser's hedging strategies will not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged, increasing rather than reducing both risk and losses.

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

Counterparty Risk. Some of the markets in which the Adviser may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such OTC transactions. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Adviser is not restricted from dealing with any particular counterparty or from concentrating any or all of the Fund's transactions with one counterparty. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

All limited partners are encouraged to carefully review the risk disclosures within the Fund's Governing Documents.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory business or the Adviser's management.

Item 10. Other Financial Industry Activities and Affiliations

As noted above, The Adviser is affiliated with each General Partner that serves as a general partner to the Funds. The General Partner and the Adviser operate as a single advisory business with common officers and employees.

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

The Adviser has adopted a Code of Ethics, which will be designed to help ensure that employees conduct business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, the Code of Ethics will set forth standards of conduct for employees to ensure that they conduct their business on the Adviser's behalf in a manner that enables us to fulfill the Adviser's fiduciary duty to the Funds.

Among other things, the Code of Ethics: (i) governs personal trading by employees, (ii) contains policies with respect to gifts and entertainment, (iii) contains policies regarding certain outside activities of employees, (iv) sets forth policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or policies and procedures. The Adviser will provide a copy of the Code of Ethics to any limited partner or prospective limited partner upon request.

Personal Trading Policy

Employees are generally prohibited from engaging in initial public offerings, private placements, and investing in digital assets without obtaining prior written consent from the Chief Compliance Officer (the "CCO"). Additionally, employees will be required to provide the CCO with periodic reporting relating to their trading activity and personal accounts. The policies relating to personal trading will also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

Participation or Interest in Client Transactions

The Adviser expects that the Owners will have significant personal investments in the Funds. In addition, certain future employees may have personal investments in the Funds. Finally, the General Partner is expected to receive performance-based allocations from the Funds.

The Owners maintain personal private investments which may, from time to time, include investments in private companies or digital assets that are owned by the Funds, or that become potential investment targets for the Funds. These personal investments could create potential or actual conflicts of interest between the Funds and the Owners. The Adviser will require pre-approval for any investments in private companies or digital assets to seek to address any potential or actual conflicts of interest related to personal private investments.

Item 12. Brokerage Practices

Selection of Brokers

For each of the Funds, the Adviser has 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. When placing transactions, the Adviser will have an obligation to seek to obtain “best execution” for the Funds with respect to their transaction activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. The Adviser will seek best execution with respect to all types of Fund transactions, taking into account various factors. Such factors are expected to include, among others: price, the ability of the brokers to affect the transactions, the brokers’ reliability and financial responsibility and the provision or payment (or the rebate to clients for payment) of the costs of property or services (e.g., short-term custodial services, research services, news and quotation services, publications, and other services and facilities). In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers’ compensation, the Adviser need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

In addition, the Adviser will use centralized cryptocurrency exchanges or decentralized finance protocols for certain Fund transactions. Before the Adviser begins trading on these platforms, the Adviser will review the platform’s operational, financial and regulatory status.

The Adviser will periodically evaluate, among other things, the execution received from brokers, centralized cryptocurrency exchanges, and decentralized finance protocols.

Research and Other Soft Dollar Benefits

Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements create a potential incentive for us to select a broker based on the Adviser’s interest in receiving the research or other products or services offered by such broker, rather than on clients’ interests in receiving most favorable execution. Further, soft dollar arrangements pose a possible conflict of interest for us in that such arrangements potentially allow us to pay with client commissions expenses that would otherwise be borne by us.

The Adviser does not expect to enter into soft dollar arrangements with brokers. However, if the Adviser enters into soft dollar arrangements in the future, the Adviser will comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Brokerage for Client Referrals

The Adviser does not receive client referrals from any brokers.

Aggregation of Orders

While it is expected to be infrequent, the Adviser may cause multiple Funds to purchase and sell publicly traded securities through brokers. If the Adviser determines to sell or purchase a publicly traded security at the same time for more than one Fund, the Adviser will generally place combined orders for all such Funds while assigning pre-order allocations. If an order for more than one Fund for a publicly traded security cannot be fully executed, the Adviser will allocate the investments in accordance with the Adviser’s allocation policies and procedures. The Adviser generally aggregates trade orders for publicly

traded securities so that each participating Fund will receive the average price for each execution of a transaction.

Item 13. Review of Accounts*Review of Accounts*

The Funds' portfolios are reviewed, and their performance analyzed, by the Owners on a regular basis. In addition, the Owners are expected to regularly review the Funds' portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

Reporting

The Adviser will furnish limited partners in the Funds with periodic written unaudited performance reports as set forth in their Governing Documents. In addition, on an annual basis, the Adviser will provide limited partners with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, The Adviser may provide certain limited partners with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from a Fund by the Adviser and/or the Adviser's personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

In addition, limited partners will be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other limited partners or prospective limited partners. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

Item 14. Client Referrals and Other Compensation

The Adviser does not expect to receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

The Adviser does not expect to compensate any third-party marketers for introductions to potential limited partners.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

The Adviser will have discretionary authority to manage investments on behalf of the Funds. The limited partners in the Funds generally will not be able to place any limits on the Adviser's authority beyond the limitations set forth in their respective Governing Documents.

Item 17. Voting Client Securities

The Adviser will have voting discretion over securities held by the Funds. The Adviser has adopted proxy voting policies and procedures, which are summarized below.

The Adviser may be required to vote proxies and will vote such proxies in the best interest of the Funds. Generally, this means voting proxies to maximize the value of the relevant company held by the Funds taking into account the Fund's investment horizon, contributions obligations under the relevant advisory agreements or comparable documents, and any other relevant facts and circumstances the Adviser determines to be appropriate at the time of the vote.

To the extent that the Adviser trades in public securities or digital assets for the Funds, the Adviser will generally have voting discretion over such assets. The Adviser will vote all proxies in the best interests of each Fund, which may result in different voting results for proxies of the same issuer.

In addition, the Adviser may determine to abstain from voting a proxy if the Adviser believes that such action is in the best interest of a particular Fund. Specifically, for Fund investments in certain digital assets, the Adviser will generally abstain from voting on various protocols since the costs associated with voting such votes outweigh the benefits to the relevant Funds.

All voting decisions initially are referred to the Adviser's CCO or appropriate investment professional for a voting decision. In most cases, the Adviser's CCO or an appropriate investment professional will make the decision as to the appropriate vote for any particular vote. In making such decision, the individual may rely on any of the information and/or research available. If the investment professional is making the voting decision, the investment professional will inform the CCO of any such voting decision, and if the CCO does not object to such decision as a result of his or her conflict of interest review, the vote will be voted in such manner. The CCO will monitor votes for any conflicts of interest, regardless of whether they are actual or perceived. Investment professionals will escalate any potential or actual conflict of interest or perceived conflict of interest regarding any particular voting decision to the CCO. The CCO will apply best judgment to address any such conflict of interest and ensure that it is resolved in accordance with the CCO's independent assessment of the best interests of the Funds.

Copies of relevant proxy votes and copies of proxy voting policies are available to any limited partner or prospective limited partner upon written request to the CCO.

Item 18. Financial Information

The Adviser is not required to include a balance sheet for the Adviser's most recent fiscal year with this Brochure.

Item 19. Requirements for State-Registered Advisers

The Adviser is not a state-registered adviser.