
RECIPROCAL VENTURE MANAGEMENT, L.L.C.

**24 West 25th Street
Fifth Floor
New York, NY 10010**

March 2024

This “**Brochure**” provides information about the qualifications and business practices of Reciprocal Venture Management, L.L.C. (hereinafter “**Reciprocal**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Michael Steinberg, by email at MikeS@RECVC.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that Reciprocal or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

This Brochure is Reciprocal's annual update to its Form ADV Part 2A. There were no material changes to report in this section from the Brochure submitted in March 2023. We encourage current and future investors to read this Brochure as well as all of the governing and offering documents applicable to your current or prospective investment, in their entirety.

In the future, if our Brochure, as amended, contains material changes, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

Reciprocal Venture Management, L.L.C. (hereinafter “**Reciprocal**”, the “**Investment Manager**”, the “**Management Company**” or the “**Firm**” and depending on the context, combined with the relevant general partner or managing member of one or more of our Funds, “**we**”, “**us**”, or “**our**”) is organized as a Delaware limited liability company with a principal place of business New York, New York.

Reciprocal provides discretionary investment management services to qualified investors through its private funds:

- Reciprocal Ventures I, L.P., a Delaware limited partnership (“**RV I**”);
- Reciprocal Ventures II, L.P., a Delaware limited partnership (“**RV II**”);
- RV PLCR SPV, LLC, a Delaware limited partnership (“**RV PLCR**”);
- RV XTND SPV, LLC, a Delaware limited partnership (“**RV XTND**”);
- RVCF1, LLC, a Delaware limited partnership (“**RVCF1**”);
- RVCF2, LLC, a Delaware limited partnership (“**RVCF2**”);

The above-mentioned funds are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”. Reciprocal Ventures I GP, LLC and Reciprocal Ventures II GP, LLC, Reciprocal Venture Management, LLC and RVO2 Networks serve as the general partners to the Funds, collectively referred to as the “**General Partner**”.

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

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles. We do not tailor our advisory services to the individual needs of any particular Investor.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective offering documents which may include (depending on the specific Fund) the Fund’s organizational documents, subscription agreements, and a private placement memorandum (the “**Offering Documents**”).

As of December 31, 2023, Reciprocal manages approximately \$139,829,810 in regulatory assets under management on a fully discretionary basis. Reciprocal does not manage any of its clients’ assets on a non-discretionary basis nor does it participate in a wrap fee program.

Item 5: Fees and Compensation

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

Management Fee

Our Funds pay us a management fee calculated at the annual rate equal to 2.5% of the Funds' committed capital (the "**Management Fee**") until the earlier of (i) the end of the sixth anniversary of the Fund's initial contribution date or (ii) the first capital call for a successor fund (the "**Step-down Date**"). Beginning with the Step-down Date, the annual management fee shall be reduced by 10% per year, but shall not be reduced below 1.50%.

The management fee shall be payable in equal quarterly instalments in cash in advance, with the management fee for any partial quarter prorated based on the number of business days in such fiscal quarter; provided, however, that the management fee with respect to any quarter or partial quarter commencing prior to or on the initial contribution date that is attributable to General Partners and Limited Partners (collectively, the "**Partners**") , other than ERISA Partners, shall be payable on the initial contribution date, and the portion of the management fee with respect to any such quarter or partial quarter that is attributable to ERISA Partners¹ shall be payable immediately following the date of the first investment.

In our sole discretion, we may waive or modify the Management Fee for Investors that are members, employees or affiliates of the specific General Partner or the Advisor, relatives of such persons and for certain large or strategic investors.

Other Types of Fees or Expenses

We are authorized to incur and pay in the name and on behalf of our Clients all expenses which we deem necessary or advisable.

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

The Funds bear and shall be responsible all expenses incident to the organization and syndication of the Funds, the General Partner, the Management Company and related entities (not to exceed \$500,000). The management fee shall be reduced on a dollar-for-dollar basis by any such organizational expenses in excess of \$500,000 that are borne by the Funds. The Funds shall also bear all costs incurred in connection with operation of its businesses, including

¹ ERISA Partners refers to (a) The General Partner, on behalf of the Partnership, shall use its reasonable best efforts to ensure that the Partnership qualifies as a "venture capital operating company" and that none of the assets of the Partnership shall be deemed to be "plan assets" (within the meaning of the DOL Regulation) of any Limited Partner that is (i) an "employee benefit plan" subject to Part 4 of Subtitle B of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Code or (iii) an entity all or part of whose underlying assets are considered "plan assets" of a plan described in the preceding clause (i) or (ii), and that has indicated such status on its Investor Questionnaire (an "**ERISA Partner**"). As used in the remainder of this Section 10.18, all terms in quotation marks have the meanings assigned to them in Section 3(42) of ERISA or the DOL Regulation, unless otherwise provided.

those costs associated with holding or sale of securities; reasonable travel expenses associated with the Funds' investment activities, all financial reporting, legal, audit, custodial, registration, financial, administrative, accounting and investment banking fees, including such services in connection with the purchase and sale of investments (whether or not consummated); insurance premiums; fees for consulting services related to portfolio investments and prospective portfolio investments (whether or not consummated); the cost of the Funds' meetings; fees and expenses of members of the Advisory Committee; expenses of litigation involving the Funds; and any extraordinary expenses of the Funds.

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

To the extent that expenses to be borne by the Funds are paid by us, the Funds will reimburse us for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

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

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

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

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

Item 7: Types of Clients

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

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

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

Investment Objectives

Reciprocal Ventures I, L.P.

This Fund is organized to provide a limited number of select investors with an opportunity to realize substantial long-term capital appreciation. The Fund will invest primarily in financial technology companies and other venture capital investments.

Reciprocal Ventures II, L.P.

This Fund is organized to provide a limited number of select investors with an opportunity to realize substantial long-term capital appreciation. The Fund will invest primarily in private early stage Blockchain and financial technology companies, various digital assets including but not limited to, digital currencies, cryptocurrencies, decentralized application tokens and protocol tokens, blockchain-based assets, cryptoassets, other cryptofinance and network-based digital assets that currently exist, or may exist in the future, (collectively, “**Digital Assets**”), and other venture capital investments.

RV PLCR SPV, LLC.

This Fund is organized to provide a limited number of select investors with an opportunity to realize substantial long-term capital appreciation. The Fund invests in the equity of Placer.ai, a private location data analytics company.

RV XTND SPV, LLC

This Fund is organized to provide a limited number of select investors with an opportunity to realize substantial long-term capital appreciation. The Fund invests in the equity of Extend, a virtual credit card company.

RVCF1, LLC

This Fund is organized to provide a limited number of select investors with an opportunity to realize substantial long-term capital appreciation. The Fund invests in the digital asset called GRT, the utility token that powers The Graph network.

RVCF2, LLC

This Fund is organized to provide a limited number of select investors with an opportunity to realize substantial long-term capital appreciation. The Fund invest in the digital asset called GRT, the utility token that powers The Graph network. This Fund participate in a private, discounted token sale with a 2-year lockup.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment in the Funds involves a high degree of risk, and is suitable only for investors of

substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. There can be no assurance that the Funds' investment objectives will be achieved or that the limited partners that invest in the Fund (the "Limited Partners") will receive a return of their capital. Investors may be subject to a number of risks, only some of which are set forth below. Such risks include, but are not limited to, those discussed below. In addition to the other information contained in this document, each prospective investor should consult with his, her or its personal legal, tax and financial advisers and carefully consider and evaluate the risks before executing any subscription documents or signature pages with respect to an investment in the Funds.

General Risks

Reliance on the General Partner and Management Company

The Limited Partners will not have a right or power to participate in the management of the Funds. Accordingly, no investor should purchase any interests in the Funds unless it is willing to entrust all aspects of management of the Funds to the General Partner, the Managing Member (defined below) and the Management Company. The General Partner will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Funds (subject to specified exceptions). The success of the Funds will depend on the ability of the investment team to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments. The Limited Partners will not receive detailed financial information issued by portfolio companies in which the Funds invests, which will be available to the Funds.

Reliance on the Managing Member

The Managing Member is the sole managing member of the General Partner. If for any reason the Managing Member should cease to be involved in the Funds, the performance of the Funds may be harmed.

Competition for Investments

The Funds compete with other entities for the acquisition of investment. Such competition may come from groups such as institutional investors, investment managers, operating companies, and merchant banks which have greater resources than the Funds and are owned by large and well-capitalized investors. There may be intense competition for investments of the type in which the Funds intend to invest, and such competition may result in less favorable investment terms than would otherwise be the case. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. It is possible that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in competitive bidding situations, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Participation in competitive bidding situations will also increase the pressure on the Funds with respect to pricing of a transaction. Moreover, the Funds may incur bid, due diligence or other costs on investments which may not be successful. As a result, the Funds may not recover all of their costs, which would adversely affect returns. The Funds may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. There can, therefore,

be no assurance that investments of the Funds will meet all the investment objectives of the Funds, or that the Funds will be able to invest all of their available capital.

Unspecified Investments

The capital commitments received from the Limited Partners pursuant to this offering are going into a blind pool. Accordingly, an investor in the Funds must rely upon the ability of the General Partner and the Management Company to identify suitable investments consistent with the Funds' investment objectives and policies. An investor may not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by the General Partner in its selection of investments or otherwise approve of such investments. Moreover, the investment guidelines set forth in the Partnership Agreement are subject to the good faith interpretation of the General Partner and transactions within such objectives may be effected using a broad array of transaction types, structures and techniques.

Past Performance May Not Be Indicative of Future Results

Past investment performance by the Managing Member in his individual capacity or any entities with which he is or was affiliated provides no assurance of future results.

Forward-Looking Statements; Opinions

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and or/beliefs of the General Partner and the Management Company. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this document constitute "forward looking" statements, which often can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "plan," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements.

No Assurance of Investment Return

The Funds' tasks of identifying opportunities in private operating companies, actively managing such investments and realizing a significant return for investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage, and realize such investments successfully. There is no assurance that the Funds will be able to invest its capital on attractive terms or generate returns for its investors. There is no assurance that the Funds' investments will be profitable and there is a risk that the Funds' losses and expenses will exceed its income and gains. The Funds' investment programs should be evaluated on the basis that there can be no assurance that the General Partner's assessment of the prospects of investments will prove accurate or that the Funds will achieve their investment objectives. As such, there is no assurance of any distribution to the Limited Partners prior to, or upon, liquidation of the Funds.

Valuation of Securities

The fair market value of all portfolio investments or of property received in exchange for any portfolio investments will be determined by the General Partner in accordance with the partnership agreement. Accordingly, the fair market value of a portfolio investment may not reflect the price at which the investment could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. The valuation of such investments will be determined by the General Partner in accordance with procedures set forth in the partnership agreement. Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend among other things on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to the Limited Partners.

Long-term & Illiquid Investment Within the Fund

Investments in the Funds are long-term commitments. Some interests in the Funds are highly illiquid and have no public market value. The interests in the Funds have not been registered under the Securities Act of 1933, nor under applicable securities laws of any state or non-U.S. jurisdiction and no such registration is contemplated. Therefore, the interests cannot be resold unless subsequently registered under the Act and other applicable laws or an exemption from such registration is available. No secondary market for the interests exists, and no such market will be established or supported by the General Partner. It is not contemplated that registration of the interests under the Act and/or any other applicable securities laws will ever be affected. Accordingly, it may be difficult to obtain reliable information about the value of the interests. Furthermore, the sale or transfer of interests is subject to approval of the General Partner and other restrictions contained in the Funds' Limited Partnership Agreements. Consequently, Limited Partners may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in the Funds is suitable only for persons and entities, which have no need for liquidity with respect to their investment.

Capital Calls

Capital calls will be issued by the General Partner from time to time at the discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of the Fund. To satisfy such capital calls, Limited Partners may need to maintain a substantial portion of their Commitment in assets that can be readily converted to cash. Except as specifically set forth in the partnership agreement, each Limited Partner's obligation to satisfy capital calls will be unconditional. A Limited Partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Funds or upon any assessment thereof provided by the General Partner. Notwithstanding the foregoing, the General Partner will not be obligated to call 100% of the Limited Partner's Commitment during the Funds' terms.

Distributions In-Kind

It is possible that not all portfolio investments will be realized by the end of the Funds' terms. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partner has a limited

ability to extend the term of the Funds, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In such cases, in the General Partner's sole and absolute discretion, there may be in-kind distributions by the Funds of illiquid securities or instruments, whereas during the term of the Funds, the Funds may make in-kind distributions of marketable securities. There can be no assurance that Limited Partners will be able to dispose of such securities or instruments or that the fair market value of such securities or instruments determined by the Funds for purposes of the determination of distributions and the calculation of the General Partner's carried interest ultimately will be realized. In addition, if the Funds receive distributions in-kind from any portfolio investment, it may incur additional costs and risks in connection with the disposition of such assets.

Economic Conditions

Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect the Funds' investments and prospects materially and adversely. None of these conditions are within the General Partner's control, and it may not be able to effectively anticipate these developments. These factors may affect the volatility and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Funds' profitability or result in losses.

Diverse Limited Partner Group

The Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the General Partner will consider the investment and tax objectives of the Funds and the Partners as a whole, and not the investment, tax, or other objectives of any Limited Partner individually.

Consequences of Default

If a Limited Partner fails to pay in full any requested capital contributions, the General Partner may take certain actions which may result in a sale of such Limited Partner's interest in the Funds or a forfeiture of all or a portion of such Limited Partner's interest in the Funds. Additionally, the General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by such defaulting Limited Partner. The General Partner will be granted additional powers to deal with defaulting Limited Partners in the Funds' partnership agreements.

Conflicts

The Funds and their Limited Partners will be subject to certain potential or actual conflicts of interest arising out of their relationship with the General Partner, its members, and their

respective affiliates, which will provide management services to the Funds. The agreements and arrangements among the Funds, the General Partner, its members, and their respective affiliates have been established by the General Partner and are not the result of arm's-length negotiations.

Withdrawals

Voluntary withdrawals of Limited Partner interests are not permitted, except in limited instances when required or when necessary to comply with the laws or regulations applicable to a Limited Partner, including ERISA regulations. As a result, investors may not be able to liquidate their investments prior to the end of the Funds' terms. A withdrawn Limited Partner may not be entitled to immediate payment for its interest in the Funds. Any withdrawal of a Limited Partner may reduce the amount of Funds capital available for investment or other activities.

Economic Interest of General Partner

Because the percentage of profits allocated to the General Partner will exceed the capital contribution percentage of the General Partner, the General Partner may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the Limited Partners.

Non-U.S. Investments

The Funds may invest a portion of its aggregate capital commitments outside of the United States. Non-U.S. securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities and (v) less developed corporate laws regarding creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors. Additionally, certain countries in which the Funds may invest have in the past, and may in the future, experience political and social instability that could adversely affect the Funds' investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The Funds generally do not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability or other economic or political developments could adversely affect the assets of the Funds held in a particular country.

Liquidation

If the Funds should become insolvent, the Limited Partners may be required to return with interest any property distributed that represented a return of capital, repay any distributions wrongfully made to them and forfeit any undistributed profits.

Portfolio Company Risks

Early Stage Investments

The Funds will invest primarily in privately-held early stage companies. These companies may not be profitable and some may have no revenue or revenues. They require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Typically, although the Funds may be represented by a member of the General Partner on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Funds or the General Partner). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Reliance on Portfolio Company Management Team

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the General Partner and the Management Company are responsible for monitoring the performance of each investment and the Funds seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with the Funds' plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Funds may be adversely affected thereby.

Lack of Diversification

The Funds are not subject to any diversification requirements and may invest in a limited number of companies, sectors, countries, or regions. To the extent the Funds concentrate their investments in a particular company, sector, country, or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company, sector, country, or region. As a consequence, the aggregate return of the Funds may be adversely affected by the unfavorable performance

of one or a small number of companies, sectors, countries or regions in which the Funds have invested.

Availability of Investment Capital

Portfolio company investments may require several rounds of capital infusions before the portfolio company reaches maturity. If a venture capital investor does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the face value of the venture investor's original investment. Although it will be the Funds' policy to maintain sufficient liquidity to allow them to participate in follow-on rounds of financings, the Funds may not intend to provide all necessary follow-on capital required by a portfolio company. Accordingly, third-party sources of financing may likely be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Funds. Furthermore, the Funds' capital is limited and may not be adequate to protect the Funds from dilution in multiple rounds of portfolio company financing.

Lack of Liquidity within Investment Portfolio

The Funds' investment portfolios, to a significant extent, consist of investments in early stage private companies. The marketability and value of each such investment depends upon many factors beyond the General Partner's control. Generally, the investments made by the Funds are illiquid and difficult to value, and there may be little or no collateral to protect an investment once made. At the time of the Funds' investment, a portfolio company may lack one or more key attributes (*e.g.*, proven technology, operational stability, consistent profitability, marketable product, complete management team, or strategic alliances) necessary for success. There may be no readily available market for the Funds' investments, many of which may be difficult to value, and the disposal of a portfolio investment by the Funds may be prohibited or delayed many years from the date of initial investment for legal, contractual and/or regulatory reasons. Disposition of such investments may result in distributions in kind to investors. The public market for high technology and other emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Funds to dispose of investments, and the value of investment securities on the date of sale or distribution by the Funds.

Leverage

The Funds' investments may include portfolio companies with capital structures that include leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio companies or their industries. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

Bridge Financings

From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the control of the Funds, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Risks of Certain Dispositions

In connection with the disposition of an investment in a portfolio company or otherwise, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts. In that regard, under certain circumstances described in the partnership agreement, the General Partner may make distributions of cash or securities to the Partners that remain subject to recall for the payment (in whole or in part) of such contingent liabilities. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to recontribute such distribution to the Funds. These arrangements may result in contingent liabilities, which might ultimately need to be funded by the Funds.

Non-controlling Investments

The Funds may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. However, as a condition to an investment in a portfolio company, it is expected that appropriate rights generally will be sought to protect the Funds' interests to the extent possible. There can be no assurance that such minority shareholder rights will be available. Furthermore, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

Investments in Public Companies

The Funds' investment portfolios may ultimately contain securities or instruments issued by publicly held companies. However, the funds may not invest more than twenty percent (20%) of the aggregate amount of the Partners' capital commitments in the securities of issuers that, at the time of initial investment, have any securities traded on a public securities market without obtaining prior approval from the limited partners advisory committee, unless the investment is in connection with a going-private transaction. Such portfolio investments may subject the Funds to risks that differ in type or degree from those involved with portfolio investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such

companies' board members and increased costs associated with each of the aforementioned risks.

Due Diligence Risks

Before making investments, the General Partner intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, the General Partner will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisers or consultants may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. In addition, if the General Partner and/or the Management Company are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. Furthermore, the due diligence process may at times be subjective. Accordingly, there can be no assurance that the due diligence investigation that the General Partner will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Further, there can be no assurance that such an investigation will result in an investment being successful.

Securities Laws Restrictions on Trading

A member, officer, employee or other representative of the General Partner or the Management Company or other affiliate of the Funds may serve as a director of a portfolio company. As a result, the Funds (through their representatives or otherwise) may receive or be deemed to receive information that would restrict their ability to cause the Funds to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the Funds' ability to buy, sell or distribute securities. In addition, the ability of the Funds to execute trades in securities of these companies may also be restricted by securities laws, including but not limited to Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 144 promulgated under the Securities Act of 1933, as a result of the board participation or extent of ownership of the Funds and affiliated persons.

Limited Access to Information

Limited Partners' rights to information regarding the Funds will be specified, and strictly limited, in the partnership agreement. In particular, it is anticipated that the General Partner will obtain certain types of material information from portfolio investments that will not be disclosed to Limited Partners because such disclosure is prohibited for contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interests may have difficulty in determining an appropriate price for such interests. Decisions to withhold information also may make it difficult for Limited Partner to monitor the General Partner and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the Advisory Board may, by virtue of such participation, have more information about the Funds and portfolio investments in certain circumstances than

other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally.

Impact of Economic Conditions

As a result of prior economic conditions, the United States and many other countries have entered economic recessions. As the result of such recessions, the business, operating results, financial condition and prospects of many of the Funds' portfolio companies could be materially and adversely affected, as could the value of the Funds' investments in such companies. Additionally, a period of deteriorating general economic conditions could negatively impact the Funds' ability to dispose of its portfolio company investments by adversely affecting the market for acquisitions of and public offerings.

Management Risks

Dependence on the Management Team

The Funds are dependent on the activities of the management team and are particularly dependent upon Michael Steinberg, the managing member of the General Partner (the "Managing Member"). The General Partner has sole discretion over the investment of the capital committed to the Funds, as well as the ultimate realization of any profits. As such, the pool of funds in the Fund represents a blind pool of funds. Therefore, the Funds and the Limited Partners are relying on the management expertise of the Managing Member in identifying, acquiring, administering and disposing of the Fund's investments. Past investment performance by the Managing Member provides no assurance of future results. The loss of the Managing Member could have a material, adverse effect on the Funds. Additional members may be admitted to the General Partner following the Funds' initial closing, and the Limited Partners will have no power to prevent any specific person from being admitted to the General Partner as a member thereof. If for any reason the Managing Member should cease to be involved in the investment management of the Funds, a suitable replacement may be difficult to obtain, with the result that the performance of the Funds may be adversely affected.

Limited Operating History

The Funds, the General Partner and the Management Company are newly created entities with no prior operating history. It is possible that additional management resources, in the form of additional analysts or other investment professionals, will be required in order for the Funds to fully implement their investment and exit strategies.

Other Activities

The members of the management team and their affiliates are required to devote only such portion of their time to the affairs of the Funds as they consider appropriate in their respective judgment to manage effectively the affairs of the Funds. Other activities of affiliates of the General Partner with which such personnel are associated, or with which they may become associated in the future, may require them to devote substantial amounts of their time to matters unrelated to the business of the Funds.

Indemnification

The Funds are required to indemnify the General Partner, its partners, members, employees, and agents, affiliates of the foregoing and the members of the Advisory Board for liabilities incurred in connection with the affairs of the Funds. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. For example, in their capacity as directors of portfolio companies of the Funds, a person may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Funds would be payable from the assets of the Funds, including the unpaid capital commitments of the Limited Partners. If the assets of the Funds are insufficient, the General Partner may recall distributions made to the Limited Partners.

Legal, Tax and Regulatory Risks

Legal, tax, and regulatory changes could occur during the term of the Funds that may adversely affect the Funds, their portfolio companies, or the investors. For example, changes in laws and regulations applicable to taxation of carried interest may result in certain types of investments and/or investment returns being treated differently and accordingly may influence the General Partner's decisions as to how to best structure the investment profiles of the Funds. The Funds may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of a variety of countries. There can be no assurance that regulations promulgated in countries where the Funds invests will not adversely affect the Funds or their portfolio investments.

Taxes in Other Jurisdictions

Prospective Limited Partners should also consider the potential state and local tax consequences of an investment in the Fund. In addition to being taxed in its own state or locality of residence, a Limited Partner may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Funds operate. Potential Limited Partners should consult their own tax advisors regarding the tax consequences of an investment in the Funds.

Income or gains from investments held by the Funds may be subject to withholding taxes or other taxes in jurisdictions, subject to the possibility of reduction under applicable tax treaties.

Risks Arising from Provision of Managerial Assistance

The Funds seek to structure their investments in the form of a "venture capital operating company" within the meaning of regulations promulgated under ERISA, although there is no guarantee the Funds may be able to do so or maintain such status. This requires that the Funds obtain rights to participate substantially in and to influence the conduct of the management of a majority of the Funds' portfolio companies. The Funds seek the right to designate directors to serve on the boards of directors of portfolio companies. Such designation of directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security-holders, and its creditors, as described above. While the General Partner intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Regulatory Concerns

The General Partner believes the nature of the Funds will not subject them to the registration requirements of the United States Investment Company Act of 1940, as amended (the “Company Act”). However, there is no assurance that the General Partner’s belief in this regard will continue to be correct. In order to ensure that the Funds may continue to rely upon an exemption from registration under the Company Act, appropriate representations and undertakings will be obtained from the Limited Partners. Due to the various burdens of compliance with the Company Act, the performance of the Funds’ investment portfolio could be materially adversely affected, and risks involved in financing developing companies could substantially increase, if the Funds become subject to the Company Act. Neither the Funds nor its counsel can assure investors that, under certain conditions, changing circumstances, or changes in the law, the Funds may not become subject to the Company Act or other burdensome regulation.

Neither the General Partner nor any of its affiliates is currently registered with the Securities and Exchange Commission or any state administrator as an investment adviser and, consequently, investors will not be afforded the protections of the United States Investment Advisers Act of 1940 (the “Advisers Act”) or similar state acts. The General Partner believes that the nature of the Funds will not subject it to such registration requirements. There is no assurance that the General Partner’s beliefs in this regard will continue to be correct. In order to ensure that the General Partner and its affiliates may continue to rely upon an exemption from registration under the Advisers Act, the Funds may have to be operated in a manner that allows them to be a “venture capital fund,” which may limit the ability of the Funds to make certain types of investments, which in turn could materially adversely affect the returns to the Limited Partners. Due to the various burdens of compliance with the Advisers Act, the performance of the Funds’ investment portfolio could be materially adversely affected, and risks involved in financing developing companies could substantially increase, if the General Partner or any of its affiliates were required to register under the Advisers Act or with any state administrator. Neither the General Partner nor its counsel can assure investors that, under certain conditions, changing circumstances or changes in law, the General Partner or any of its affiliates may not be required to register under the Advisers Act or under similar state acts.

Lack of Separate Counsel

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP (“Gunderson Dettmer”) serves as legal counsel to the General Partner, the Funds and certain of their affiliates and not to any Limited Partner that becomes a limited partner of the Funds by virtue of their investment in the Funds. Although Gunderson Dettmer assisted in the preparation of the Private Placement Memorandum (“PPM”) and Gunderson Dettmer may from time to time advise the General Partner, the Funds and certain of their affiliates with respect to their respective obligations to the Funds, Gunderson Dettmer has not independently verified any factual assertions made in the PPM and is not responsible for the General Partner’s, the Funds’ or the Firm’s compliance with its investment program or applicable law. No person should invest in the Funds as a result of participation in the preparation of the PPM by Gunderson Dettmer or the representation of the General Partner, the Funds and certain of their affiliates by Gunderson Dettmer. The Managing Member, the General Partner, the Funds and Gunderson Dettmer urge each prospective investor to consult with his, her or its own legal, accounting, business, investment, pension and tax advisors to determine the appropriateness and consequences of an investment in the Funds and arrive at an independent evaluation of

the merits of such investment. Prospective limited partners are not to construe the contents of the PPM as legal, accounting, business, investment, pension or tax advice.

Absence of Recourse

The governing documents of the Funds limit the circumstances under which the General Partner, the Managing Member, and their affiliates, including their officers, directors, partners, employees, shareholders, members, and other agents, can be held liable to the Funds. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

Audit Risks

It is possible that an audit of the Funds' tax returns by the U.S. Internal Revenue Service (the "Service"), if conducted, may result in an audit of a Limited Partner's U.S. tax return, if any. A Limited Partner that files a U.S. tax return must report each Fund item for U.S. federal income tax purposes consistent with its treatments on the Funds' returns, unless such Limited Partner files a statement with his return which identifies the inconsistency. In the event of an audit, the tax treatment of all Fund items may be determined at the Fund level in a single proceeding rather than in separate proceedings with each Limited Partner. The General Partner may take primary responsibility for contesting federal income tax adjustments proposed by the Service, to extend the statute of limitations as to all Limited Partners and, in certain circumstances, the General Partner may be able to bind the Limited Partners to a settlement with the Service. The General Partner will inform each Limited Partner of a commencement and disposition of any such administrative proceeding. Nevertheless, a Limited Partner's participation in administrative or judicial proceedings relating to Fund items would be restricted.

Special Risks

Industry Risks

The pace of bank onboarding, the emergence of new competitors, customer concentration, and industry factors such as bank mergers, may create additional risks for the Funds. Banks may not provide banking services, or may limit banking services to businesses that provide digital asset/currency related services or that accept digital asset/currency as payment which may adversely affect a Client's investment.

Economic & Political Risks

To the extent the Funds make investments in companies with headquarters, or substantial assets, outside of the United States, such investments may be subject to additional economic and political risks. Governments of many foreign countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The availability of investment opportunities for the Funds may depend in part on governments outside the United States continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives. Accordingly, future government actions could have a significant effect on the economic environment in such countries, which could affect the availability, purchase price, and returns of portfolio investments of companies affected by such governments.

Foreign Currency & Exchange Rate Risks

Fund assets and income of investments made outside of the United States may be denominated in various currencies. Contributions and distributions, however, will be denominated in U.S. dollars. As a result, the return of the Fund on any investment may be adversely affected by fluctuations in currency exchange rates, any future imposed devaluations of local currencies, inflationary pressures, and the success of the investment itself. As a general policy, the Funds do not intend to engage in hedging against currency risk. In addition, the Funds may incur costs in connection with conversions between various currencies.

Accounting & Disclosure Standards

Accounting, auditing, financial, and other reporting standards, practices, and disclosure requirements in countries in which the Funds may invest are not necessarily equivalent to those required under United States Generally Accepted Accounting Principles (USGAAP) or International Accounting Standards (IAS). Accordingly, less information may be available to investors.

European Union Directive on Alternative Investment Fund Managers (AIFMD)

The EU Alternative Investment Fund Managers Directive (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (“EEA”). If the Funds are actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) the Funds may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Funds incurring additional costs and expenses; (ii) the Funds and/or the General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Funds incurring additional costs and expenses or otherwise affect the management and operation of the Funds; (iii) the General Partner may be required to make detailed information relating to the Funds and their investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of the Funds in relation to EEA portfolio companies including, in some circumstances, the Funds’ ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA Highly Confidential Private Placement Memorandum funds to investors based in those jurisdictions, which may make it more difficult for the Funds to raise its targeted amount of capital commitments.

Investment in Digital Asset Companies

Some of our Clients will make investments in companies involved in the Digital Asset industry. Concentration in this industry may involve risks greater than those generally associated with more diversified funds and may experience significant fluctuations in returns. The Digital Asset sector is 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 companies our Clients invest 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 our Clients will be able to adequately enforce intellectual property rights. Instability, fluctuation, or an overall decline

within the Digital Asset industry may not be balanced by investments in other industries not so affected. In the event that the Digital Asset sector declines or that a Client is unable to adequately enforce intellectual property rights, returns to such Client may decrease.

Custody of Fund's Assets

We may manage our Clients' custody of some or all of its Digital Assets, by generating the private keys that control movement of the various Digital Assets. Our Clients, under our management and supervision, may store Digital Assets with various Digital Asset counterparties. In addition to maintaining custody of Digital Assets with various Digital Asset counterparties under our management and supervision, we may store the Fund's Digital Assets in a "cold wallet" through hardware or software storage. Digital Asset counterparties may also require us to provide control of the private keys when the counterparty is utilized by the Fund. The foregoing, however, shall not limit us in any way from utilizing Digital Asset custody standards and practices that may exist in the future. We retain the right, but not the obligation, to use any qualified third-party Digital Asset custodian in the future as firms and Digital Asset custody standards begin to develop. We are responsible for taking such steps as we determine, in our sole judgment, to be required to maintain access to these keys, and prevent their exposure from hacking, malware and general security threats. We are not liable to our Clients or to their Investors for the failure or penetration of the security system absent gross negligence, fraud or criminal behavior on our part. Maintaining Digital Assets on deposit or with any third party in a custodial relationship has attendant risks. These risks include security breaches, risk of contractual breach, and risk of loss. Investors should be aware that the Funds may allow third parties to hold its property, and this may result in the occurrence of any of the risks abovementioned.

All other investments and other financial assets of the Funds that are required to be custodied by third parties, if any, will be maintained at all times in the custody of one or more banks, trust companies, brokerage firms, futures commission merchants, or other institutions as are approved for that purpose by us.

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 or other designed purposes (e.g., use of blockchain based smart contracts). 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 destructions of a private key required to access a Digital Asset is irreversible, and such private keys would not be capable of being restored by our Funds. Any loss of private keys relating to digital wallets used to store a Fund's Digital Assets could result in the loss of or delay in retrieving the Digital Assets and an Investor could incur substantial, or even total, loss of capital.

Stolen or Incorrectly Transferred Digital Assets May Be Irretrievable

An incorrect transfer of Digital Assets or a theft of Digital Assets generally will not be reversible, and a Client 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, a Client's Digital Assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that a Client is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received a Client's Digital Assets through error, mismanagement, theft or other criminal action, a Client will be unable to revert or otherwise recover incorrectly transferred Digital Assets. To the extent that a Client is unable to seek redress for such actions, such loss could adversely affect an investment in the Client.

Risks Associated with the Digital Asset Protocol

Digital Assets are generally based on blockchain protocols, such as the Bitcoin Protocol or the Ethereum Protocol, or decentralized application protocols, such as the Compound Protocol or the Uniswap Protocol. Any malfunction, breakdown, or abandonment of the Digital Asset's protocol may have a material adverse effect on the value of the Digital Asset. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Digital Assets by rendering ineffective the cryptographic consensus mechanism that underpins a Digital Asset's protocol.

Security of Digital Assets and Networks

Hackers or other malicious groups or organizations may attempt to interfere with the Digital Assets and/or Digital Asset networks in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing, and spoofing. Furthermore, because a Digital Asset's network is based on open-source software, there is a risk that a third party or a member of the development team of a particular Digital Asset may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Digital Asset's network, which could negatively affect the network and the Digital Asset.

Dissolution of Network or Digital Asset Sponsor

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of a Digital Asset (or other cryptographic and fiat currencies), decrease in a Digital Asset's utility, the failure of commercial relationships, the failure of the Digital Asset Sponsor or intellectual property ownership challenges, the Digital Asset's network may no longer be viable to operate. The dissolution of a Digital Asset's network or a Digital Asset Sponsor (if applicable) may adversely impact such Digital Asset's value.

Trading on Digital Asset Networks

Some of our Funds convert U.S. dollar contributions made by Investors to Digital Assets over specific networks, as applicable. These Funds 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 a Fund's digital wallets and the loss of such 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 Digital Assets may adversely affect an investment in a Fund. Additionally, a meritorious intellectual property claim could prevent a Fund and other end-users from accessing a Digital Asset network or holding or transferring their Digital Assets, which could force such Fund to terminate and liquidate its Digital Assets (if such liquidation of the Fund's Digital Assets is possible). As a result, an intellectual property claim against a Fund could adversely affect an investment in such Fund.

Network Participation and Proof of Stake Risk

Our Funds may directly or indirectly deploy some of its assets through protocols that allow participants to perform various services, including but not limited to facilitation and verification of transactions through a concept known as Proof of Stake, curation, governance, and dispute resolution ("Active Network Participation"). 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 Active Network Participation. 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 protocols may require storing a large amount of the relevant Digital Asset for a potentially long period of time in order to engage in Active Network Participation, 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 our affected Funds. Further, Active Network Participation is subject to the same risks associated with Digital Assets in general including, but not limited to, equipment failure, regulatory action, and a failure of the network which the stake is deposited on.

Risk of Slashing

Many protocols that support Active Network Participation include "slashing", which is a penalty for taking certain actions or failing to meet certain standards, such as staking validators that incorrectly validate a transaction. Such penalties may include, but are not limited to, foregoing of rewards from Active Network Participation, loss of staked Digital Assets, or a ban from participating on a particular network. If a Fund or the NAP Service Provider, as applicable, meets the slashing conditions for a particular protocol it may result in loss of the Fund's assets and may have a negative impact on the performance of the Fund.

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. We in our sole discretion, may elect to claim (or alternatively, leave unclaimed) 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, we may not have any systems in place to custody, monitor or participate in Hard Forks or Airdrops. Therefore, a 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.

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 a 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, a Fund's Digital Assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that a Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received a Fund's Digital Assets through error or theft, the impacted Fund will be unable to revert or otherwise recover incorrectly transferred Digital Assets. To the extent that a Fund is unable to seek redress for such error or theft, such loss could adversely affect an investment in such Fund.

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 our Funds or the ability of our Funds to transact.

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, 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.

Our Funds invest primarily in Digital Assets, some of 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. Current and future legislation, 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 Digital Assets have grown in popularity, certain U.S. agencies, such as FinCEN, the SEC, 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. However, an SEC release has stated that certain Digital Assets may be securities, depending on the specific facts and circumstances of the Digital Asset in question. 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 Digital Assets are deemed to fall further within the definition of a security pursuant to subsequent rulemaking by the SEC, we and the Funds may be required to register and comply with additional regulation under the Investment Advisers Act or similar state investment advisory statutes. Such additional registrations may result in extraordinary, non-recurring expenses of each of our Funds. If we determine not to comply with such additional regulatory and registration requirements, the Funds may need to be terminated and liquidated at a time that may be disadvantageous to investors.

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, we and the Funds may be required to register and comply with additional regulation under the U.S. Commodity Exchange Act, as amended (“CEA”). Moreover, we 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 each of our Funds. If we determine not to comply with such additional regulatory and registration requirements, the Fund may need to be terminated and liquidated at a time that may be disadvantageous to investors.

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, UK, as well as African and Asian countries. 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 domestic or foreign regulatory change on the Funds is impossible to predict, but such change could be substantial and adverse.

No FDIC or SIPC Protection

Digital Assets held by the Fund are not subject to FDIC or SIPC protections. The Fund is not a banking institution 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 Fund are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. The undivided interest in the Fund’s Digital Assets represented by Interests in the Fund are 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 Fund's ability to hold or trade Digital Assets, and could result in termination and liquidation of the Fund at a time that is disadvantageous to Limited Partners, or may adversely affect an investment in the Fund.

Tax Risk of Digital Asset Investments

There is substantial uncertainty regarding the tax treatment of Digital Assets. As such, we may take certain tax positions that may ultimately be treated differently in the course of an audit by the U.S. Internal Revenue Service ("IRS"), or the regulations promulgated by the IRS may change over time. As a result, Investors may be subject to adverse tax consequences associated with their investment in a Fund.

Possible Tax Implications of Network Participation and Proof of Stake Risk

Our Clients may directly or indirectly deploy some of its assets through protocols that allow participants to perform various services, including but not limited to facilitation and verification of transactions through a concept known as Proof of Stake, curation, governance, and dispute resolution ("Active Network Participation"). 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 Active Network Participation. 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 protocols may require storing a large amount of the relevant Digital Asset for a potentially long period of time in order to engage in Active Network Participation, 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 applicable Fund. Further, Active Network Participation is subject to the same risks associated with Digital Assets in general including, but not limited to, equipment failure, regulatory action, and a failure of the network or decentralized protocol which the stake is deposited on. We may in the future lend or delegate the Fund's Digital Assets to be deployed through Active Network Participation by a third party or an affiliate of ours (the "NAP Service Provider") and the Fund is subject to all risks associated with the NAP Service Provider including its continuing operation. The Fund may purchase assets from the NAP Service Provider pursuant to valuation and exchange mechanics set forth in a separate agreement between the parties. Entities such as the NAP Service Provider may also be subject to regular security threats. Further, the IP address for the NAP Service Provider may be public which increases its potential exposure to security breaches including hacking, malware and general security threats. A security breach, technical, or operational failure of the NAP Service Provider may result in loss of the Fund's assets and may have a negative impact on the performance of the Fund.

A Client's involvement in Active Network Participation may be found, for U.S. federal income tax purposes, to result in income that is deemed to be effectively connected with the conduct of a trade or business in the United States. Tax exempt Investors may incur an income tax liability with respect to their share of any unrelated business taxable income ("UBTI"), and non-U.S. Investors may incur an income tax liability with respect to their share of any effectively connected income ("ECI"), that the Fund may generate resulting from the Active

Network Participation. Each Investor should consult with and rely on its own independent tax counsel as to the U.S. federal income tax consequences of an investment in the Fund based on its particular circumstances, well as to applicable state, local or non-United States tax laws.

Fiduciary Duty of Investing Plans

In considering an investment in a Client, plan fiduciaries should consider their basic fiduciary duties under ERISA Section 404, which requires them to discharge their investment duties prudently, solely in the interest of the plan participants and beneficiaries and for the exclusive purpose of providing benefits to the plan participants and beneficiaries and defraying reasonable administrative expenses of the relevant plan. Plan fiduciaries must give appropriate consideration to the role that an investment in the Fund would play in the plan's investment portfolio. In analyzing the prudence of an investment in a Fund, the DOL's regulation on investment duties should be considered (29 C.F.R. § 2550.404a-1).

Plan Assets

ERISA and the regulation issued by the DOL at 29 C.F.R. § 2510.3-101, as modified or deemed to be modified by ERISA (the "Plan Asset Regulation"), define the term "Plan Assets" as applied to entities in which a plan invests, directly or indirectly, such as a Fund. The Plan Asset Regulation provides that when an ERISA Plan acquires an equity interest in an entity, and that equity interest is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act, the assets of the ERISA Plan include not only the equity interest, but also include an undivided interest in the underlying assets of the entity, unless an exception to this general rule applies.

Investment Company Regulation

The Fund relies on Section 3(c)(7) of the Investment Company Act to avoid requirements that the Fund register as an "investment company" under, and comply with the substantive provisions of, the Investment Company Act. If the Fund were required to be registered as an investment company, the Investment Company Act would require, among other things, that the Fund have a board of directors, some of whom were unrelated to the General Partner, compel certain custodial arrangements and regulate the relationship and transactions between the Fund and the General Partner. Compliance with some of those provisions could possibly reduce certain risks of loss, although such compliance could significantly increase the Fund's operating expenses and limit the Fund's investment and trading activities. Interpretations of Section 3(c)(7) are complex and uncertain in several respects, and as a result, there can be no assurance that the Fund will remain entitled to rely on that Section. If the Fund were found not to have been entitled to such reliance, the Fund and the General Partner could be subject to legal actions by the SEC and others and the Fund could be forced to terminate its business under adverse circumstances.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

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

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

Code of Ethics

Reciprocal has adopted a “**Code of Ethics**” that sets forth the standards of conduct expected of all employees providing services to clients and requires compliance with applicable securities laws.

The Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information Reciprocal or any of its employees. Prospective clients and clients may contact Reciprocal at the telephone number or email listed on the cover of this Brochure to request a copy of its Code of Ethics. Reciprocal appointed Michael Steinberg to serve as Chief Compliance Officer who, together with senior management, will be responsible for monitoring and enforcing the Code of Ethics.

The Code of Ethics establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

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

Further, the policies provide that all employees must act within the spirit and the letter of all federal, state, and local laws and regulations pertaining to the securities business, and at all times, the interest of each client has precedence over any personal interest. Reciprocal’s Code of Ethics requires employees to report their personal securities transactions and prohibits employees from directly or indirectly engaging in certain securities transactions without first obtaining approval. In addition, the Code of Ethics requires employees to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information.

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

Item 12: Brokerage Practices

Reciprocal is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we look for the lowest execution costs. It is our practice to negotiate “execution only” commission rates; therefore, the Funds will not be deemed to be paying for research or other services provided by the broker as part of the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, to the extent possible, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances.

While the question of whether cryptocurrencies are "securities" has not been established by applicable law, rule, regulation or policy, Reciprocal seeks to satisfy best execution considerations when transacting in cryptocurrencies on behalf of its Clients. Accordingly, when considering quantitative factors as part of its Best Execution process the Adviser will consider the impact any "gas fees" that might be incurred on one trading platform would have on the total acquisition cost of such digital assets against the total acquisition cost for the same asset on other available platforms. Data regarding transaction costs, like "gas fees" are not always available on decentralized cryptocurrency exchanges (a "**DEX**"), accordingly, the Adviser generally seeks to avoid transacting on a DEX for its Clients where transaction cost data is unavailable.

Soft Dollars

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

Item 13: Review of Accounts

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

Account Reporting

We perform regular reviews of the portfolio, including quarterly calls and letters, detailing major changes and developments.

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

Item 14: Client Referrals and Other Compensation

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

Item 15: Custody

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

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

Per the respective Limited Partnership Agreements, certain Funds shall not be audited by an independent public accountant on an annual basis or otherwise and each Member understands and agrees that no such audit will be prepared. This is applicable to the following Funds:

- RVCF1
- RVCF2
- RV PLCR
- RV XTND

Some Digital Assets held by Clients are not “funds” or “securities” and, therefore, will not necessarily be held in the same manner as “funds and securities.” However, we, as a fiduciary, take appropriate steps to safeguard these Digital Asset holdings in a manner that we believe is reasonably designed to protect our Clients against loss or misappropriation of the Digital Asset interests.

As noted in Item 8, we may manage our Clients’ custody of some or all of its Digital Assets, by generating the private keys that control movement of the various Digital Assets. Our Clients, under our management and supervision, may store such Fund’s Digital Assets with various Digital Asset counterparties. Such counterparties take various measures to provide safekeeping for the assets held by those counterparties. Reciprocal conducts due diligence of such counterparties and security protocols prior to utilizing such services.

In addition to maintaining custody of a Fund’s Digital Assets with various Digital Asset counterparties, such a Fund, under our management and supervision, may store the Fund’s Digital Assets in a “cold wallet” through hardware or software storage. Digital Asset counterparties may also require us to provide control of the private keys when the counterparty is utilized by the Fund.

Item 16: Investment Discretion

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

Item 17: Voting Client Securities

The firm does not vote by proxies at this time.

Item 18: Financial Information

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