

**Item 1: Cover Page**



**PART 2A OF FORM ADV: FIRM BROCHURE (“Brochure”)**

**Hazoor Partners, LLC  
9390 Research Boulevard, Building Two, Suite 110  
Austin, Texas 78759**

**March 28, 2024**

This brochure provides information about the qualifications and business practices of Hazoor Partners, LLC (“**Hazoor Partners**” the “**Firm**,” or the “**Adviser**”). If you have any questions about the contents of this brochure, please by contacting Harpreet Singh, the Adviser’s Chief Compliance Officer, at (458) 203-0665. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Hazoor Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940 (the “**Advisers Act**”). Any reference to Hazoor *Partners* as a registered investment adviser does not imply any level of skill or training.

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

**Item 2: Material Changes**

This is Hazoor Partners, LLC's annual updating amendment to its last Brochure, which was filed on March 29, 2023. This Brochure has been updated; however, none of the changes contained in this document are deemed to be material.

### Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	7
Item 7: Types of Clients.....	8
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss .....	9
Item 9: Disciplinary Information.....	23
Item 10: Other Financial Industry Activities and Affiliations .....	24
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	25
Item 12: Brokerage Practices .....	27
Item 13: Review of Accounts.....	29
Item 14: Client Referrals and Other Compensation .....	30
Item 15: Custody.....	31
Item 16: Investment Discretion.....	32
Item 17: Voting Client Securities.....	33
Item 18: Financial Information .....	34

#### Item 4: Advisory Business

- A. Hazoor Partners is a registered investment advisor with its principal place of business in Austin, Texas. The Firm is organized as a Delaware limited liability company and was established in 2017. Harpreet Singh and Darsh Singh are the two principal owners of the Adviser.

Hazoor Partners serves as an investment manager and provides investment advisory services on a discretionary basis to a privately offered pooled investment vehicles (the “**Fund(s)**” or “**Client(s)**”).

Hazoor Partners’ clients include the following:

- Hazoor Select, LP
- Hazoor Digital Assets Fund, LP
- Aqueduct Municipal Opportunities Fund, LP

The following affiliated entities of Hazoor Partners serve as general partners to the Funds, respectively:

- Hazoor Select GP, LLC
- Hazoor GP, LLC

- B. The Adviser provides investment advisory services to pooled investment vehicles based on the particular investment objectives and strategies described in the Funds’ confidential offering memorandum, limited partnership agreement and other governing documents of each Fund (collectively referred as “**Offering Documents**”). Hazoor Partners advises on investing in niche, capacity-restrained, or uncorrelated investment opportunities through its fund-of-funds strategy as well as in digital assets and cryptocurrencies.

The Adviser’s principal investment objective is to seek to maximize total return for the Clients primarily through the capital appreciation of their investments. The Adviser’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing, and monitoring investments and achieving dispositions for such investments. Hazoor Partners’ advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents.

- C. The Firm’s investment management and advisory services to the Clients are provided pursuant to the terms of the Offering Documents. Accordingly, investment advisory services to the Funds are not tailored to the individualized needs or objectives of any particular Fund investor. An investment in a Fund by an investor does not, in and of itself, create an advisory relationship between the investor and Hazoor Partners. Investors are not permitted to impose restrictions or limitations on the management of any Fund.
- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2023 the Adviser manages approximately \$259,677,006 in Client assets on a discretionary basis. The Adviser does not manage any Client assets on a non-discretionary basis. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser’s “regulatory assets under management.”

## Item 5: Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Clients. The Adviser may enter into different fee arrangements on a client-by-client basis. It is critical that all Clients, and investors in the Funds, refer to the applicable Client's governing documents for a complete understanding of how the Adviser and its affiliates are compensated for advisory services. The information contained herein is a summary only and is qualified in its entirety by each applicable Client's Governing Documents. Hazoor Partners may, in its sole discretion, manage other funds with higher or lower fees, different fee structures and different expense payment arrangements than the current Funds.

*Management Fees.* The Adviser receives management fees from the Funds between 1.0% to 2.0% per annum of net asset value depending on the class of partnership interests. The Management Fee is payable monthly and in advance, as described in each Fund's respective governing documents, and pro-rated for partial periods.

*Incentive Allocation.* Additionally, the general partner of the Fund, or other affiliate of the Adviser, may be eligible to receive an incentive or performance allocation from a Fund based on a percentage of net capital appreciation (both realized and unrealized) during each yearly measurement period, subject to a high water mark. The Adviser expects the Incentive Allocation to be 10% - 50% of net capital appreciation of Limited Partners' ("LP") capital account in the respective Fund.

The compensation described above is the Adviser's typical compensation rates. However, Management Fee and Incentive Allocation rates may be negotiable. The Adviser has the right to enter into agreements with one or more Fund investors to waive or modify certain terms of the offering of a Fund's interests, or certain rights and obligations of Fund investors, including compensation, otherwise applicable to such interest(s), in each case without notice to the Funds' other investors.

In the Hazoor Select LP Fund, Management Fees and Incentive Allocations amount will vary amongst the LPs within the Fund, depending on the investment category that the investor participates in. In this Fund, Management Fee can vary between 0% to 1% and Incentive Allocations from 10% to 50%, respectively.

- B. The Management Fee and the Incentive Allocation are proportionally adjusted for capital contributions or directly deducted from the capital account balances of fee-paying investors in the Funds. The terms for the Management Fees and Incentive Allocation computation and amount charged vary from Fund to Fund. Investors should read the respective Offering Documents carefully regarding the fees that they may bear.
- C. Each Fund bears its own legal and other organizational expenses incurred in the formation of the Fund (the "**Organizational Expenses**") up to an aggregate amount agreed upon in the Fund's Governing Documents. In the General Partner's sole discretion, certain Organizational Expenses related to the offer and sale of interests in certain Funds may be amortized over a period of up to 60 months from the date the Fund commences its investment activities. The operating and administrative expenses that are borne by each Fund or SMA client are outlined in the applicable LPA or SMA agreement.

In addition to paying investment management fees and performance-based compensation, the Fund (and, indirectly, the investors therein) will pay such additional expenses as are disclosed in the

Funds' applicable Offering Documents. These expenses include, among others: (i) Management Fees, (ii) all general investment expenses (i.e., brokerage commissions, clearing and settlement charges, research expenses, data processing costs and expenses, bank service fees, interest expenses, borrowing charges, custodial expenses and other investment expenses); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) all fees, costs and expenses related to middle office operations which may include daily reconciliation of cash, cost, positions and valuations; (v) fees, costs and expenses of third-party service providers that provide such services; (vi) costs and expenses associated with preparing investor communications, printing and mailing costs; (vii) insurance costs and expenses; (viii) taxes and other governmental charges payable by the Partnership; (ix) governmental licensing, filing and exemption fees (including Blue Sky filing fees); (x) indemnification obligations; (xi) all expenses (including reasonable attorneys' fees) incurred in connection with any threatened, pending, or anticipated litigation, U.S. Internal Revenue Service examination or audit, or similar audit or examination by any state or local taxing authority, or other legal proceeding; and, (xii) any extraordinary expenses. Expenses generally will be shared by all of the Partners of the Fund, including the General Partner, pro rata in accordance with their Capital Account; provided, however, that the General Partner will specially allocate expenses related to a Side Pocket Investment to the Capital Account of the Partners participating therein, such allocation to be in proportion to such Partners' participating percentages in such Side Pocket Investment.

Both the General Partner and Investment Manager bear all of their separate expenses arising out of their services to the Fund, including all of their general overhead expenses (including the rent of their offices, compensation and benefits of their staff, maintenance of their books and records, and their fixed expenses, telephones, and general purpose office equipment), but are not responsible for any expenses of the Fund.

To the extent that any of the operating and administrative expenses relate to the operations of one or more Funds or accounts managed by the General Partner or any of its respective affiliates, the General Partner will attempt to allocate such expenses based on a good faith determination of the relative benefits of such expenses to all such funds and accounts benefiting from such expense.

Please refer to Item 12 of this Brochure for a discussion of Hazoor Partners' brokerage practices.

***It is important that investors refer to the relevant Offering Documents for a complete understanding of expenses and fees they may pay through an investment in the Fund. The information contained in this Item 5 is a summary only and is qualified in its entirety by such documents.***

- D. The Adviser collects fees monthly and in advance. If the advisory contract is terminated before the end of the billing period, the Adviser will issue a pro-rated refund.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receive any compensation from the sale of securities or other investment products.

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

As stated in Item 5 above, the General Partner is entitled to receive performance-based fees or allocations from the Clients.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. The terms of the performance-based fees may also give the general partners or managers of the Clients an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities. Additionally, the Adviser manages each Client in accordance with the investment strategy disclosed in such Client's Governing Documents to help ensure that investors are aware of the investment strategy and the risks associated with the strategy.

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

As described in Item 4, the Adviser provides discretionary investment advisory services to privately offered, private funds that are exempt from registration under the Investment Company Act of 1940 (the “**IC Act**”), as amended. The offering of interests to qualified investors in the Funds are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any U.S. state or any other jurisdiction. The respective minimum initial and subsequent subscription amounts are detailed within the Offering Documents. Hazoor Partners may, in its sole discretion, elect to reduce or waive the minimum threshold for subscription amounts with respect to any investor.



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

- A. The investment objective is discussed in response to Item 4.B. The Adviser's principal investment objective is to seek to maximize total return for the Clients primarily through the capital appreciation of their investments. The Adviser directs investments based on the Fund's specific objectives. An investment in any of Hazoor Partners' Funds involves significant risks and is suitable only for investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. There can be no assurance that the Funds will achieve their respective investment objectives. Each prospective investor should carefully review the Offering Documents and the agreements referred to therein prior to deciding to invest in the Funds.
- B & C. The following summary identifies the material risks related to Hazoor Partners' investment strategies, which cover a wide range of investment types. While these risks should be carefully evaluated before making an investment, the following does not intend to identify all possible risks of an investment with Hazoor Partners or provide a full description of the identified risks. Prospective Investors should also carefully review the risks described in the applicable Offering Documents and should consult with their own legal, tax and financial advisors before deciding whether or not to invest.

### **General Risk Factors**

*Reliance on Key Persons.* A Fund will be substantially dependent on the services of the Principals. In the event of the death, disability, departure, or insolvency of either Principal, or the complete transfer of either Principal's interest in the Investment Manager, the business of a Fund may be adversely affected. The Principals will each devote such time and effort as he deems necessary for the management and administration of a Fund's business. However, the Principals will engage in various other business activities in addition to managing a Fund, and consequently will not devote all time to a Fund's business. Limited Partners have no right or power to take part in the management of a Fund. Except under specified circumstances, if the General Partner or Investment Manager withdraws, is dissolved, or becomes insolvent, a Fund will likely be dissolved.

*Underlying Managers.* In an attempt to create a diversified platform of Investments over time, a Fund intends to give Limited Partners the right to opt-in to Investment opportunities with multiple Underlying Managers, each of whom trade independently of the others. Therefore, it is always possible that one or more Underlying Managers might take positions opposite that of other Underlying Managers such that any potential gains might be effectively offset.

Similarly, there can be no assurance that the use of different portfolio and trading approaches will not effectively result in overall portfolio losses by certain Underlying Managers at virtually all times offsetting any profits achieved by others. Such offsetting could result in a significant reduction in Fund assets, as any performance-based fees may be payable with respect to those Underlying Managers that had recognized profits, irrespective of the counterbalancing losses. Moreover, despite the intent of the Investment Manager to select Underlying Managers whose styles have tended to result in low correlation with one another, it is possible that virtually all Investments might together suffer losses during certain time periods, resulting in substantial losses to a Fund. A Fund's diversification of trading approaches, intended to reduce downside risk while maintaining the ability to capitalize on profitable trends, may, in fact, have the opposite result,

minimizing a Fund's ability to achieve overall profits while failing to reduce exposure to significant losses.

*Potential Lack of Diversification due to Start-Up and Selection of Investments.* While a Fund's strategy involves building a diversified platform of Investments over time, such platform will develop gradually over time and, particularly during a Fund's start-up, will not be diversified. In addition, Limited Partners will have the opportunity to opt-in to Investments in which such Limited Partner will participate. The Investment Manager has no control over any Limited Partner's selections of Investments in which to participate. The information presented to the Limited Partners may be based off of information and data provided and prepared by third parties, including issuers of securities. The Investment Manager will not always be in a position to confirm the completeness, genuineness, or accuracy of such information and data in order to confirm levels of diversification. To the extent that a Limited Partner elects to participate in only certain Investments of a Fund (such as only one category of Liquid Investment, Private Investment, or XL Investment or only Investments in a particular industry, asset type, strategy), the portfolio for that certain Limited Partner is likely to lack diversification. Such Limited Partner's capital accounts may be subject to more rapid changes in value than would be the case if such Limited Partner had maintained a broader diversification among Investments.

To the extent Limited Partners elect not to participate in certain Investment opportunities, a Fund's overall performance will not be indicative of each Investor's individual performance. Additionally, the performance of one Limited Partner may be significantly different than that of another Limited Partner due to each Limited Partner's Investment elections.

*Capital Commitment and Opt-in Structure.* A Fund requires Limited Partners to make a Capital Commitment to a Fund for a Commitment Period which generally lasts for one year and may be extended in some circumstances. During such Commitment Period, the Limited Partners have the right, but not the obligation, to opt-in to new Investment opportunities. This provides the Limited Partner with flexibility in its selections of Investments in which to participate. However, certain Investments may be presented to Limited Partners based on an assumed level of commitment by a Fund to that Investment. If the assumption proves to be incorrect, the parties may be required to alter the economic terms of the arrangement and reduce the economic benefit of certain Investments. In some instances, a Fund may lose the ability to enter into such Investment arrangement.

*Participation in Prior Investments Subject to Availability.* In general, Limited Partners that make a Capital Commitment to a Fund do not have an automatic right to participate in any prior Investment. However, if there are additional investment opportunities in an Investment, then such opportunity will be offered in the General Partner's discretion, subject to its Investment allocation policy and procedures, which are intended to result in allocations which are fair and equitable over time. Investors should not invest in a Fund with any expectation of participating in any prior Investment.

*No Legal Separation of Investments.* As an operational matter, the General Partner employs a methodology for allocation of Fund Expenses and liabilities to the capital accounts of Limited Partners participating in a particular Investment or to the general capital account maintained for such Partner. Under normal circumstances, these allocations are intended to ensure that the liabilities associated with one Investment generally do not burden Limited Partners not participating in such Investment.

However, a Fund is a single legal entity. In other words, the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a particular Investment are enforceable against the assets of a Fund generally. If a Portfolio Fund, or group of Portfolio Funds, suffers catastrophic losses or in other unusual circumstances, a Fund may suffer losses that threaten viability of a Fund. These types of losses could cause the complete loss to every Limited Partner in a Fund, including those Limited Partners who did not elect to participate in the Investment with such catastrophic loss.

*Investment Authority.* Although the Limited Partners may choose whether or not to opt-in to particular Investments, substantially all decisions with respect to the management and operation of a Fund are made by the General Partner and the Investment Manager. Limited Partners have no right or power to take part in the management or operations of a Fund other than each Limited Partner's investment elections. In the event of the withdrawal or bankruptcy of the General Partner, generally a Fund will be liquidated.

*No Control over Portfolio Funds.* Portfolio Funds are generally managed by Underlying Managers which are unaffiliated and operate independently from the Investment Manager. Accordingly, the Investment Manager generally cannot exert any control over the investment decision-making and other actions of the Underlying Managers. While the Investment Manager strives to perform adequate due diligence to select and mitigate risks of an Investment and any Underlying Manager, there can be no guarantee that a Portfolio Fund will be managed appropriately or obtain positive results. For example, due diligence processes may not be able to detect fraud on the part of an Underlying Manager or its service providers.

*Layering of Fees.* The amount of fees and expenses payable by a Fund can be deemed to be significant. The Limited Partners are responsible for a Fund Expenses (*i.e.*, those attributable to their respective general capital accounts and the capital accounts for each Investment in which they participate, the Management Fees and Profit Allocations at the Fund level, separate from (and in addition to) the management fees and performance allocations charged by or allocable to the Underlying Managers by a Portfolio Fund). Further, it is feasible that, in turn, an Underlying Manager invests in other private investment funds such that the Limited Partners also pay indirectly the fees and performance allocations of the Underlying Managers of such private investment funds since the performance realized by the Fund is net of fees already deducted from the performance by Underlying Managers at the lower fund level.

*Transfer Limitations.* The prior written consent of the General Partner is required for a transfer of the Interest of any Limited Partner. Because of the restrictions on withdrawals and transfers, an investment in a Fund is a relatively illiquid investment and involves a high degree of risk. A subscription for Interests should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

*No Distributions.* The Investment Manager and the General Partner do not anticipate making regular distributions of incomes, although any Current Proceeds from Private Investments and XL Investments will be apportioned and, thereafter, re-allocated to the general capital accounts of all Partners participating in such Investment, as set forth in the "Summary of Principal Terms." A Partner may redeploy, leave in cash, or request a withdrawal of amounts in its general capital account. An investment in a Fund is not suitable for investors seeking current distributions of income. Moreover, an investor is required to report and pay taxes on its allocable share of income from a Fund, even though no cash is distributed by a Fund.

*Withdrawal Restrictions.* There are significant restrictions on withdrawals from a Fund and on transfers of Interests. Private Investments and XL Investments generally have no defined withdrawal rights. Instead, Disposition and Current Proceeds from Private Investments and XL Investments are apportioned and re-allocated to the general capital accounts of Limited Partner in the manner set forth in a Fund Agreement. A Limited Partner may redeploy, leave in cash, or request a withdrawal of amounts in its general capital account. Withdrawals from Liquid Investment capital accounts and withdrawals from a Fund are subject to the notice periods and other *withdrawal terms set forth in a Fund Agreement and summarized under 'Summary of Principal Terms.'*

*Settlement of Withdrawal Proceeds and Distributions In-Kind.* Although withdrawals from capital accounts will generally be settled in cash, the General Partner reserves the right to settle withdrawals or make distributions wholly or partially 'in-kind', meaning with securities or other assets of a Fund, whether or not readily marketable, to the extent provided in a Fund Agreement. The General Partner will determine the percentage of any settlement of withdrawal proceeds distribution to be made in cash and the percentage to be made in-kind, as well as the particular securities to be distributed. Settlement of withdrawal proceeds and distributions that are made in-kind will, to the extent practicable, not be disproportionately allocated to any Limited Partner or Limited Partners. However, a prior or contemporaneous in-kind distribution or settlement of withdrawal proceeds to some Limited Partners will not affect a Fund's right to distribute cash to Limited Partners.

In the event that a distribution in-kind does not represent a pro rata portion of the portfolio, a Limited Partner receiving assets through such distribution may experience lower returns than it would have if it received a pro rata portion of the portfolio (or was distributed different assets in any non pro rata distribution). Conversely, a Fund's performance after making such a distribution may be lower than it would have if such assets remained in the portfolio entirely or were distributed pro rata in accordance with the portfolio, thereby adversely affecting the remaining Limited Partners.

*Possible Effect of Withdrawals.* Limited Partners may withdraw capital from their respective Liquid Investment capital accounts and general capital accounts in accordance with the terms of a Fund Agreement. A significant withdrawal of capital from a Fund, particularly where it represents a disproportionately large participation in a Liquid Investment, could require a Fund to liquidate Investments more rapidly than otherwise desirable to raise the necessary cash to fund the withdrawals.

*Compulsory Withdrawals.* The General Partner may require any Limited Partner to withdraw from a Fund, in whole or in part, at any time and for any reason or no reason, upon five (5) days' prior written notice, or immediately under certain limited circumstances, as set forth in a Fund Agreement. Any withdrawal proceeds would be settled in the same manner as for withdrawals initiated by a Limited Partner.

*Valuations.* From time to time, certain situations affecting the valuation of a Fund's Investments (such as limited liquidity, unavailability, or unreliability of third-party pricing information and acts or omissions of service providers to a Fund) could have an impact on the net asset value of a Fund, particularly if prior judgments as to the appropriate valuation of an Investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. A Fund Agreement sets forth limited circumstances in which the General Partner can require the Partners (including any former Partner) to return distributions made to such Partner or former Partner. However, a Fund is not required to make retroactive adjustments to prior subscription or withdrawal

transactions or Management Fees or Profit Allocations based on subsequent valuation data. For valuation risks associated with Portfolio Fund Investments, see “*Valuation of Portfolio Fund Investments*” below.

*Estimates.* The net asset values received by the Administrator from Investments in Portfolio Funds and used to calculate a Fund’s net asset value, and therefore for the payment of withdrawal proceeds and the issuance of additional Interests, are only estimates and may differ materially from actual valuations. The Administrator relies on these estimates in calculating a Fund’s net asset value for reporting, subscription, withdrawal, fee, and other purposes and generally will not make any adjustments with respect to withdrawal payments or the issuance of Interests.

*Non-Public Information.* From time to time, the Investment Manager or an Underlying Manager may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit the Investment Manager’s flexibility to buy or sell portfolio securities issued by such companies. A Fund’s investment flexibility may be constrained as a consequence of the Investment Manager’s inability to use such information for investment purposes.

*Absence of Registration.* A Fund has not and will not register under the Investment Company Act. Accordingly, the provisions of the Investment Company Act which, among other things, require that a fund’s board of directors, including a majority of disinterested directors, approve certain of a Fund’s activities and contractual relationships, prohibit certain trading and investment activities and prohibit a Fund from engaging in certain transactions with its affiliates, will not be applicable.

*ERISA.* Because it is intended that a Fund will not hold or be deemed to hold “plan assets” (within the meaning of ERISA), “benefit plan investors,” as such term is defined under Section 3(42) of ERISA, may not have the protection of ERISA with respect to the investments and other activities of a Fund. See “*ERISA and Other Regulatory Considerations*”.

*Cybersecurity.* A Fund, the Investment Manager, the Portfolio Funds, their respective service providers, and relevant listing exchanges are susceptible to operational, information security, and other cybersecurity risks, both directly and through their respective service providers. Similar types of cybersecurity risks are also present for issuers of securities in which a Fund invests, which could result in material adverse consequences for such issuers and may cause the Fund’s investment in such portfolio companies to lose value. These risks may not be covered by insurance. In general, cybersecurity incidents can result from deliberate attacks or unintentional events. Cyber- attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through hacking or use of malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out without ever obtaining direct access to the targeted systems, such as through a denial-of-service attack which could result in the target’s network services becoming unavailable to its intended users. Cybersecurity failures by, or breaches of, the systems of any of the General Partner, the Investment Manager, administrator, and other service providers (including, but not limited to, data providers, fund accountants, custodians, transfer agents, and attorneys), market makers, or the issuers of securities in which a Fund invests, could cause disruptions and impact business operations, potentially resulting in one or more of the following: material financial losses, interference with a Fund’s ability to calculate its net asset value, unintended disclosure of confidential trading information, material impediments to trading, submission of erroneous trades or redemption orders, the inability of a Fund or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, cyber-

attacks may render inaccessible, inaccurate, or incomplete any or all of the records of a Fund's assets, transactions, ownership of Interests, and other data integral to the functioning of a Fund. Substantial costs may be incurred by a Fund in order to prevent or address cyber-incidents in the future. The Investment Manager and the General Partner plan to establish a cybersecurity policy and business continuity procedures to address and mitigate these cybersecurity risks. Despite these efforts, certain risks may not yet have been identified and it is possible that prevention and remediation efforts will be inadequate or unsuccessful. Additionally, because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a Fund, the Fund may be unable to anticipate these techniques or to implement adequate preventive measures. Furthermore, the General Partner and the Investment Manager are unable to directly control the cybersecurity procedures and systems of any service providers or portfolio companies, and any of a Fund and the Limited Partners could be materially and adversely impacted as a result.

*Agreements with Certain Limited Partners.* A Fund or the General Partner may enter into "side letter" agreements with certain Limited Partners pursuant to which a Fund may give certain Limited Partners rights not granted to other Limited Partners, including one or more of the following: (i) reduced Management Fees, (ii) reduced Performance Allocation, and (iii) the right to withdraw all or a portion of their investment in a Fund on shorter notice and/or with more frequency than the terms described in this Memorandum. As a result, certain Limited Partners may be able to withdraw their Interests at times when other Limited Partners may not. Subject to applicable law, a Fund does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Limited Partners that have entered into such agreements.

### **Risks Related to Investments via Separately Managed Accounts**

*Managed Account Allocations.* A Fund may place assets with Underlying Managers through opening managed accounts rather than investing in funds. Managed accounts expose a Fund to theoretically unlimited liability, so that if an Underlying Manager uses leverage, a Fund could lose more in a managed account directed by a particular manager than a Fund had allocated to such Underlying Manager. However, the Investment Manager does not anticipate allocating assets to Underlying Manager who utilize high leverage through managed accounts. Further, if the Investment Manager allocates assets to such Underlying Managers through managed accounts, the Investment Manager may attempt to insulate a Fund from such risk by allocating assets through a single member limited liability company or other special purpose vehicle, but it will not always be possible to do so and the Investment Manager may elect not to do so.

### **Risks Related to Investments other Private Portfolio Funds**

*General Risks of Private Investment Funds.* Portfolio Funds (often Liquid Investments) often make investments which have significant risks not otherwise present in public market investments. Such investments may involve highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, investments in unproven technologies, workouts, less-developed companies, control positions, and illiquid investments.

*Investment Judgment; Market Risk.* The profitability of a significant portion of each Portfolio Fund's investment program depends to a great extent upon the Underlying Manager correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Underlying Managers will be able to predict accurately these price movements.



With respect to the investment strategy utilized by Portfolio Funds, there is always some, and typically a significant, degree of market risk.

*Limited Liquidity of Investments.* Portfolio Funds often make Investments by purchasing ‘restricted’ securities that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of securities of similar companies that are publicly traded. No assurance can be given that a public market for securities held by a Fund or Portfolio Funds will develop. It is highly speculative whether and when an issuer will choose or be able to register its securities with any governmental securities authority (such as the SEC) so that they become eligible for trading in public markets. In many cases, investments in privately held companies will be long-term in nature and may require many years from the date of initial investment before disposition.

A Fund also typically makes Investments by purchasing ‘restricted’ securities issued by Portfolio Funds (whether Private Investments or Liquid Investments) or, in some cases, by managers (for an XL Investments) that are not traded in public markets. Such interests have not been registered under foreign or U.S. securities laws and, as a result, are not readily transferable. Withdrawals from those Portfolio Funds are also usually restricted. Consequently, a Fund may be unable to liquidate readily its interests in such Portfolio Funds.

*Valuation of Portfolio Fund Investments.* Investments made by Portfolio Funds may not be actively traded. In the absence of market comparisons, Portfolio Funds will be required to resort to other pricing methodologies, including, for example, models based on assumptions regarding expected trends, historical trends following market conditions believed to be comparable to the then current market conditions and other factors believed at the time to be likely to influence the potential resale price of an investment. Such methodologies may not prove to be accurate. Further, valuation is controlled by the Underlying Managers. While the Investment Manager performs due diligence prior to making an Investment in a Portfolio Fund, there are no assurances that the Underlying Managers will properly value their investments.

*Competition for Investment Opportunities.* Numerous investors will be competing with the Portfolio Funds for desirable investment opportunities. Because of this competition, the Portfolio Funds might not be able to participate in attractive investments that would otherwise be available to them. In addition, competition for investments also tends to increase the valuation of prospective issuers of portfolio securities, which may adversely affect investment returns.

*Availability of Leverage.* The return of an Investment in a Portfolio Fund will often be somewhat dependent upon the Underlying Manager’s ability to grow the Portfolio Fund’s portfolio of invested assets through the use of leverage. A Portfolio Fund’s ability to obtain the leverage necessary on attractive terms will ultimately depend upon its ability to maintain interest coverage ratios meeting market underwriting standards which will vary according to lenders’ assessments of the Portfolio Fund’s creditworthiness and the terms of the borrowings. A Portfolio Fund may also utilize other forms of leverage, including swaps and repurchase agreements. The failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the Portfolio Fund.

*Use of Leverage.* Leverage creates an opportunity for increased net income, but at the same time creates risks. For example, leveraging magnifies changes in the net worth of the Portfolio Fund. The Portfolio Fund will leverage assets only when there is an expectation that leverage will enhance returns, although there can be no assurance that the Portfolio Fund’s use of leverage will prove to be beneficial. Moreover, there can be no assurance that the Portfolio Fund will be able to meet its

debt service obligations and, to the extent that it cannot, the Portfolio Fund risks the loss of some or all of its assets or a financial loss if the Portfolio Fund is required to liquidate assets at a commercially inopportune time. The cumulative effect of the use of leverage by a Portfolio Fund in a market that moves adversely to such Portfolio Fund's investments could result in a substantial loss to the Portfolio Fund that would be greater than if the Portfolio Fund were not leveraged. Furthermore, the use by Funds of swaps and other derivatives to gain exposure to certain Portfolio Funds will leverage a Funds' assets, and subject them to the risks described above.

*Expenses.* The Fund is obligated to pay substantial routine charges, irrespective of profitability, such as brokerage fees and commissions for direct portfolio investments, investment advisory fees of Underlying Managers, and counterparty and other service fees, either directly or through Underlying Managers. Moreover, profits generated by a particular Underlying Manager will generally be subject to payment of a management and/or performance fee to that Underlying Manager even if a Fund overall is losing money. Although the overall level of such fees and commissions will vary from time to time, they will at all times constitute major ongoing expenses, with the consequence that investment returns of a Fund will be reduced. These fees and expenses may constitute a higher percentage of average net assets than would be found in other investment entities.

*Currency Risk.* A Portfolio Fund may invest its capital in securities that are custodied in different countries, the prices of which are determined with reference to currencies other than the U.S. dollar. Any such Portfolio Fund valuing its securities in U.S. dollars may therefore be affected by fluctuations in currency values.

*Options.* Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

*Short Sales.* A Portfolio Fund (typically a Liquid Investment) may enter into securities transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by a Portfolio Fund that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. A Portfolio Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, a Portfolio Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

*Small-and Micro-Capitalization Company Risk.* The small- and micro-capitalization companies in which the strategy may invest in may be more vulnerable to adverse business or economic events than larger, more established companies. While they may often provide significant potential for appreciation, these small- and micro-capitalized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial



resources, and may depend upon a relatively small management group. Therefore, small- and micro-cap stocks may be more volatile than those of larger companies.

*Futures and Other Commodity Interests.* Pursuant to an exemption from registration under CFTC rule 4.13(a)(3), the General Partner is not registered with the CFTC as a CPO with respect to the Fund.

A Portfolio Fund (typically a Liquid Investment) may also trade in futures and other commodity interests. Depending on the limitations of a Portfolio Fund's investments in futures or other commodity interests, the general partner or investment manager of such Portfolio Fund may not be required to register with the CFTC or the NFA as a CPO or a CTA, pursuant to CFTC Rule 4.14(a)(3) or another an exemption from registration under CFTC regulations. Should a Portfolio Fund's investments in futures or other commodity interests exceed the limits provided by the applicable exemption from registration, the general partner or investment manager of such Portfolio Fund will either have to register with the NFA or cease providing commodity interest trading advice to a Portfolio Fund and liquidate the Portfolio Fund's holdings of commodity interests and futures which could result in losses and additional costs to a Portfolio Fund.

*Derivatives.* Derivative instruments, or "derivatives," include futures, options, swaps, structured securities, and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies, or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency, or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Portfolio Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom a Portfolio Fund contracts for the purpose of making derivative investments (the "*Counterparty*"). In the event of the Counterparty's default, a Portfolio Fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

*Counterparty Risk.* A Portfolio Fund (typically a Liquid Investment) is subject to the risk that counterparties of derivative contracts and other instruments in which it invests and trades may default on their obligations under those instruments and that certain events may occur that have an immediate and significant adverse effect on the value of those instruments. Some of the markets in which a Portfolio Fund effects its transactions are over-the-counter or inter-dealer markets. The participants in such markets are typically not subject to credit evaluation by an exchange or clearing organization and regulatory oversight as are members of exchange-based markets. A Portfolio Fund therefore is exposed to a greater risk that a counterparty will not timely settle a transaction or otherwise perform its obligations in accordance with contractual terms and conditions because of a dispute over the terms of the contract (whether or not bona fide), or because of a credit or liquidity problem, thus causing a Portfolio Fund to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Portfolio Fund has concentrated its transactions with a single or small group of counterparties. These risks may differ materially from those entailed in exchange-traded transactions, which

generally are backed by clearing organization guarantees, daily marking-to-market and settlement of positions and segregation and minimum capital requirements applicable to intermediaries. Although a Portfolio Fund intends to enter into transactions only with counterparties that a Underlying Manager believes to be creditworthy, will attempt to reduce a Portfolio Fund's exposure by obtaining collateral in appropriate cases and will pursue any available remedies under any of these contracts, there can be no assurance that a counterparty will not default and that a Portfolio Fund will not sustain a loss on a transaction as a result. A Portfolio Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Concentration of transactions with a limited number of counterparties could increase the potential for losses by a Portfolio Fund. A Portfolio Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

*Broker Insolvency Risk.* Transactions entered into by a Portfolio Fund may be executed on various U.S. and non-U.S. exchanges, and may be cleared and settled through various clearing houses, custodians, depositories, broker-dealers, and prime brokers throughout the world. While U.S. rules and regulations applicable to these brokers may offer significant protections to the assets of their clients if one of them were to become insolvent, the assets of a Portfolio Fund held at such broker could be at risk. For example, while brokers are required to segregate client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients and not specifically in the name of a Portfolio Fund. Additionally, the broker may be able to transfer client assets out of such client accounts in the ordinary course of its business. A Portfolio Fund could experience losses if the clients' aggregate claims exceeded the amount of client assets such broker actually held at the time of the insolvency. In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), a Portfolio Fund may be unable to trade the securities that were held by the insolvent broker during this transfer period.

The assets of a Portfolio Fund also may be held by non-U.S. brokers. Although certain non-U.S. jurisdictions provide similar protections to client assets, there can be no assurance that a Portfolio Fund will not experience losses in any insolvency of such a non-U.S. broker. A Portfolio Fund will attempt to execute, clear, and settle transactions through entities that a Underlying Manager believes to be sound, but there can be no assurance that a failure by any such entity will not lead to a loss to a Portfolio Fund. In addition, the Securities and Exchange Commission, other regulators, self-regulatory organizations, and exchanges in the United States and other countries are authorized to take extraordinary actions in the event of market emergencies. Such actions could lead to a loss as a result of delay in settling transactions or other circumstances.

*Soft Dollars.* A Underlying Manager may enter into "soft dollar" arrangements with one or more broker-dealers whereby a Underlying Manager will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although a Underlying Manager will use the research and services in making investment decisions for a Portfolio Fund, a Underlying Manager may use such research or services for other accounts and a Portfolio Fund will generally pay more than the lowest available commissions for execution of these transactions. A Underlying Manager may also enter into "soft dollar" arrangements to cover a Fund's expenses or costs and expenses of a Underlying Manager to the extent such arrangements are permitted by law and described in this Memorandum.

*Seed Investments.* A Fund's XL Investments will typically be made into start-up Underlying Managers. These Underlying Managers will typically need capital infusion to fund ongoing capital needs, such as rent, salaries, technology, and organizational costs. A Fund will participate in revenue streams from the accounts managed by the Underlying Managers, which may include

management fees, performance allocation, or carried interest. Such revenue streams may be highly profitable, if the Underlying Manager is able to generate significant returns on its investments. The XL Investments involve a high degree of risk due to the lack of operating history, experienced management, or a proven market for their investment services.

## **Risk of Investments**

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

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

*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 a Fund at a time that is disadvantageous to Limited Partners, or may adversely affect an investment in a Fund.

*No FDIC or SIPC Protection.* Digital Assets held by a Fund are not subject to FDIC or SIPC protections. The Partnership 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 Partnership's Digital Assets represented by Interests in the Partnership are not insured.

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

*Risk of Loss of Private Key.* Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or 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 a Fund. Any loss of private keys relating to digital wallets used to store a Fund's Digital Assets could result in the loss of the Digital Assets and a Limited Partner could incur substantial, or even total, loss of capital.

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

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

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

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

*Initial Coin Offerings Risk.* A Fund may invest some of its Digital Assets in initial coin offerings ("ICOs"). ICOs allow for investors to purchase certain Digital Assets offered or created by blockchain based companies on various platforms in exchange for dollars or already established

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

*Simple Agreement for Future Tokens.* A Fund's assets may be invested in ICOs through Simple Agreements for Future Tokens ("SAFTs"). SAFTs are agreements that offer the right to a Digital Asset (e.g. tokens) at a later point in time, usually upon the triggering of a condition outlined in the agreement. SAFTs that a Fund invests in may offer the right to Digital Assets that have some characteristics of equity securities, such as obtaining an interest in a company. Consequently, such tokens are subject to some of the same risks as equity securities. Such tokens may be subject to legal or other restrictions on transfer, may have no liquid market, may afford limited voting rights to the holder of the token, and may have a lack of control in the management of the issuer of the token. SAFTs are also subject to the same risks as ICOs including, but not limited to, fraud, security breaches, regulatory developments, enforcement actions, failure of the conditions of the agreement to memorialize, no guarantee in value or worth of the underlying token, and technological developments. Such risks may have an adverse impact on a Fund's assets or on a Fund's ability to sell its assets. SAFTs further subject a Fund to all risks associated with Digital Assets in general.

*Proof of Stake Risk.* A Fund may invest some of its Digital Assets through protocols that verify transactions through a concept known as Proof of Stake ("PoS"). PoS generally allows holders of a Digital Asset to verify future transactions in a protocol based on various factors, depending on the rules of the protocol. Some protocols allow holders with a larger amount of the Digital Asset (i.e. stakes) deposited in the protocol to be awarded with additional Digital Assets through the verification of future transactions. Those with stakes in some protocols may also have the ability to govern and vote on how the protocol is controlled in the future. As PoS typically requires storing a large amount of the relevant Digital Asset for a potentially long period of time in order to verify future transactions on the protocol, such investments may be illiquid for an extended period of time before there is any return on investment. Such illiquidity could have an adverse effect on a Fund. Further, PoS is subject to the same risks associated with Digital Assets in general including, but not limited to, equipment failure, regulatory control, and a failure of the network which the stake is deposited on.

*Master nodes Risk.* The principals of a Fund may use the Fund's assets to invest in hardware to run nodes. A node is a program that validates transactions and blocks on certain Digital Asset networks. Nodes are subject to the same risks as Digital Assets in general including, but not limited to, virus attacks, malicious actors, bandwidth limits from internet service providers, as well as regulatory risks. Further, running nodes may require the expenditure of significant expenses including, but not limited to: hardware, such as computers, cooling equipment, graphics processing units, and related equipment; software; and various utilities such as electricity and internet. There is no guarantee of profits when running nodes. The expenses involved in running nodes may outweigh its profit,



thereby resulting in financial losses to a Fund. Profits or losses from running nodes can vary based on numerous factors including, but not limited to, volatility in the Digital Assets markets, government regulation, mining difficulty, equipment failure, power outages/interruptions, network outages/interruptions, and other foreseeable and unforeseeable events or conditions.

*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, a 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 a 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 a Fund or the ability of a Fund to transact a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. The Investment Manager is not restricted from dealing with any particular counterparty or from concentrating any or all of a Fund's transactions with one counterparty. The ability of a Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment. Prospective Clients and investors should read applicable Governing Documents carefully and consult with their own advisors before deciding to invest.**

**Item 9: Disciplinary Information**

Not Applicable. Hazoor Partners and its supervised persons have no reportable disciplinary events to disclose.

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

- A. Not Applicable. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Not Applicable. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities with the Commodity Futures Trading Commission or applying for membership with the National Futures Association.
- C. In connection with sponsoring any Fund, an affiliate of the Adviser will serve as General Partner of each Fund, which the General Partner will receive an Incentive Allocation. In this capacity, the relationship could create an incentive for Hazoor Partners to make investment allocations that are riskier or more speculative than would be the case if the General Partner did not receive incentive compensation from the Funds for serving as the General Partner of the Funds. Hazoor Partners will act in the best interest of its Funds and in accordance with the Funds' investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

Other than these affiliated general partners entities, the Adviser has no relationships or arrangements with any related person that are material to its advisory business or to its clients. Clients and Fund investors are advised to review the relevant Governing Documents for more extensive descriptions of the risks of investing in the Client and the required procedures for resolving conflicts of interest.

- D. Not Applicable. The Adviser and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its Clients.



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

- A. The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser’s employees. The Code contains policies and procedures that are reasonably designed to ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

The Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists.

The Adviser’s Code of Ethics is available, upon request, to any Client or prospective Client as well as any Fund investor or qualified prospective Fund investor.

Additionally, the Adviser and its related entities may engage in a broad range of activities. In the ordinary course of conducting its activities, the interests of a Client may, from time to time conflict with the interests of the Adviser, other Clients or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

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

- (1) A Client will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Client;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Governing Documents for the Clients;
- (3) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (4) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Specifically, with respect to conflicts of interest that may arise in connection with its investment activities, the Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently with Client

Governing Documents and such policies. The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or the amount of fees paid by any Client or (ii) the profitability of any Client.

- B. Hazoor Partners does not engage in principal transactions. Neither the Adviser nor any of its related persons currently recommend to Clients investments in which the Adviser or any related persons have a material financial interest. However, to the extent the Adviser or its related persons may recommend to Clients investments in which the Adviser or any related persons have a material financial interest, the Adviser and its related persons will consider and resolve in the best interests of the Clients any conflicts of interest associated with such recommendations.

Fund investors are provided with disclosure related to conflicts of interest in the Fund's offering documents prior to making capital commitments to the Fund.

Additionally, the Adviser enforces a robust Code that generally requires, subject to the terms of a Client's governing documents, the Adviser and its employees to place the interests of the Clients over their own or those of a related party.

It is critical that Fund investors review the Fund's offering documents for a detailed description of potential conflicts of interest related to an investment in the Fund. The information contained herein is a summary only.

- C. In connection with sponsoring any Fund, the Adviser and certain of its affiliates have an economic interest in such Fund, the General Partner, or both. The Adviser may, from time to time, recommend a security in which the Adviser, directly or indirectly, has an interest. For instance, Fund assets may be invested in securities of issuers in which one or more other Funds or accounts managed by the Adviser hold positions. Given the likely frequency of such occurrence, Clients will not be provided with notification of such occurrences. This may represent a conflict of interest for the Adviser. The Adviser will disclose to Clients this and any other material conflict of interest which might reasonably be expected to impair the Adviser's rendering of unbiased or objective investment advice.
- D. As provided by the Code, the Adviser may not recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buy or sell the same investments for their own account.

## Item 12: Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries used in effecting the transactions for the Client, and the commission rates to be paid for such transactions.

### *Brokerage*

The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of the Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect securities transactions, the Adviser may cause the Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by the Clients may be cleared through, and the Clients' investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. The Adviser does not consider the receipt of investor referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

### *Soft Dollars*

Hazoor Partners does not have a formal Soft Dollar program. However, commissions paid by the Clients to brokers may include "soft dollar" research-related goods and services (collectively, "**soft dollar items**") used by the Adviser in making investment decisions which include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, financial trade publications, statistical and pricing services, discussions with research personnel, consultants and management teams, attendance at industry conferences or seminars, software and databases and other goods and services providing lawful and appropriate assistance to the Adviser in the performance of its investment decision-making responsibilities on behalf of the Clients. To the extent that the Adviser does engage in such "soft dollar" arrangements, the Clients may pay commissions to a broker in an amount greater than the amount another broker might charge.

Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Clients with credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Where a product or service obtained with soft dollars provides both brokerage and research and brokerage and non-research assistance to the Adviser (e.g., a "mixed use" item), the Adviser will make a reasonable allocation of the cost that may be paid for with soft dollars. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for a Client because it has not been identified as providing soft dollar items.

The use of commissions or “soft dollars,” if any, generated by the Clients through agency and certain riskless principal transactions to pay for brokerage- and research-related products or services, if any, typically is expected to fall within the safe harbor created by Section 28(e) of the Exchange Act; however, the use of soft dollar services that could be deemed to fall outside the safe harbor but that are consistent with the Adviser’s fiduciary duty to the Clients managed by it is not prohibited if otherwise legally permitted. Under Section 28(e), brokerage- and research-related products or services obtained with soft dollars generated by a Client may be used by the Adviser to service accounts other than the Client. The Adviser will not necessarily only use such services to benefit the Clients that the Adviser manages in proportion to the commissions paid by each Client to the brokers providing such services.

Any new soft dollar arrangements with broker-dealers generally will be documented by entering into a soft dollar agreement with the broker-dealer. In addition, the Adviser periodically will review each existing soft dollar arrangement to confirm that the level of commissions paid for items received appears commensurate with the value of such items, and to confirm that soft dollar credit and debit balances remain reasonable.

The Adviser’s soft dollar practices as described above will be adjusted to comply with any changes in applicable law.

A.2. Hazoor Partners does not participate in selecting or recommending broker-dealers in exchange for client referrals.

A.3. Not Applicable. Hazoor Partners does not recommend, request or require that a client direct the Adviser to execute transactions through a specified broker-dealer.

- B. If and when managing multiple Clients with similar investment strategies, the Adviser generally will attempt to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for the Clients. Hazoor Partners has the authority to allocate trades to advisory clients on an average price basis or on another basis it deems fair and equitable. Similarly, if an order on behalf of any advisory client cannot be fully allocated under prevailing market conditions, the Adviser may allocate the trades among different advisory clients on a basis it considers fair and equitable over time.

### **Item 13: Review of Accounts**

- A & B. The Adviser maintains comprehensive review procedures for the ongoing monitoring of the securities transactions of its Clients. In connection therewith, the Adviser conducts periodic reviews of all investments held in each Client portfolio. All Adviser investment and operational staff participate in the ongoing monitoring of Client portfolios, although responsibilities vary by individual. These individuals perform intra-day, daily, weekly and monthly reviews of the Clients' positions regarding performance, risk, volatility, and other statistical analysis. In monitoring a Client's positions, they ensure (i) the management of investments and capital actions are consistent and comply with attainment of the Client's investment policy, objectives, and strategy goals, and (ii) the Client's portfolio is in compliance with legal and regulatory requirements.
- C. After the end of each fiscal year, each Fund provides its Limited Partners with a copy of audited financial statements of the Fund. In addition, Limited Partners will receive periodic written reports containing unaudited summary financial information regarding the Fund.

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

- A. As noted in the response to Item 12, Hazoor Partners may receive certain research and brokerage products or services from broker-dealers through soft dollar arrangements. As such, the Fund may benefit from research services acquired by Hazoor Partners as a result of the brokerage transactions of the applicable client. Please see Item 12 for further information on Hazoor Partners' soft dollar practices, including Hazoor Partners' procedures for addressing conflicts of interest that arise from such practices.

Additionally, Hazoor Partners does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to the Fund or related to the selection or recommendation of broker-dealers.

- B. The Adviser does not currently have any formal arrangements directly or indirectly with any person for client or investor referrals. However, the Adviser may, from time to time, enter into an agreement with third-party placement agents. Such agreements provide for compensation to be paid to the placement agent for referring investors to the Adviser's Funds. Under these agreements, the placement agent will typically receive a percentage of the capital commitments attributable to each investor referred depending upon the specific circumstances. In such cases, details of the arrangement will be provided to prospective investors. Compensation of placement agents will be as determined in a written agreement between the Adviser or its affiliate and the placement agent. Subject to the provisions of the applicable Fund operating agreement, placement agent compensation will be borne entirely by the Adviser and not by any of its Funds nor by any Fund investor.

**Item 15: Custody**

With respect to the Funds, the Adviser is deemed to have custody, as defined in Rule 206(4)-2 under the Advisers Act, of the assets of the Funds as a result of one or more of its affiliates serving as the General Partner of some of the Funds it manages and its ability to remove the directors of some of the other Funds it manages. The Funds are audited annually by an independent accounting firm that is registered and examined by the Public Company Accounting Oversight Board, and audited financial statements are delivered to investors in the Hazoor Digital Assets Fund, LP and Aqueduct Municipal Opportunities Fund, LP within 120 days of the applicable fiscal year-end. Audited financial statements are delivered to investors in the Hazoor Select, LP Fund, a hedge fund-of-funds, within 180 days of the applicable fiscal year-end.

**Item 16: Investment Discretion**

The Adviser has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each Client, including the selection of, and commissions paid to, broker-dealers. This discretionary authority is subject to terms set forth in the applicable management agreement with each respective Client. Additionally, the Adviser's discretionary authority is subject to the investment objectives, policies and restrictions as set forth in the governing documents of each respective Client.



## **Item 17: Voting Client Securities**

The Adviser follows a proxy voting policy to ensure that proxies the firm votes, on behalf of each Client, are voted to further the best interest of that Client. The policy establishes a mechanism to address any conflicts of interests between the Adviser and its Clients. Further, the policy establishes how Clients and the Funds' underlying investors may obtain information on how the proxies have been voted.

The Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of its Clients and their investors and is consistent with the investment philosophy as set forth in the relevant Clients Governing Documents.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Client's best interest.

The Adviser maintains records of (i) all proxy votes that are made on behalf of its Clients; (ii) all written requests from each Client or Fund's underlying investors regarding voting history; and (iii) all responses (written and oral) to such requests. Such records are available to each Client or Fund's underlying investors upon request.

**Item 18: Financial Information**

Not Applicable. Hazoor Partners does not require or solicit prepayment of more than \$1,200 in fees, six months or more in advance. In addition, Hazoor Partners has not been the subject of a bankruptcy petition at any time during the past ten (10) years.