

**Item 1. Cover Page**

**Standard Crypto Management LP**

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**Part 2A of Form ADV: Firm Brochure**

**March 29, 2024**

**This brochure provides information about the qualifications and business practices of Standard Crypto Management LP. If you have any questions about the contents of this brochure, please contact us at [cco@standardcryptovc.com](mailto:cco@standardcryptovc.com). 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.**

**Additional information about Standard Crypto Management LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

This Brochure dated March 29, 2024 serves as an update to Standard Crypto Management LP's Brochure dated July 6, 2023 (the "Prior Brochure"). This brochure contains certain changes from the Prior Brochure, including, but not limited to: (i) updates to Item 5 to reflect new disclosure related to allocation of fees and expenses among Allocable Parties (as defined herein), (ii) updates to Item 8 to reflect new and updated risk factors related to the Standard Crypto Management LP's investment strategy, including such risk factors related to risks of digital assets, artificial intelligence, and regulatory developments for private funds and their advisers, and (iii) updates to Item 11 to reflect new disclosure regarding potential and/or actual conflicts of interest faced by Standard Crypto Management LP related to allocating investment opportunities among Funds.

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#### **Item 4. Advisory Business**

For purposes of this brochure, the “Adviser” means Standard Crypto Management LP, a Delaware limited partnership, together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates may or may not be under common control with Standard Crypto Management LP, but possess a substantial identity of personnel and/or equity owners with Standard Crypto Management LP. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in the blockchain and cryptocurrency sectors. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a Fund’s “Organizational Documents”).

The principal owners of Standard Crypto Management LP are Adam Goldberg and Alok Vasudev (the “Principals”). The Adviser has been in business since 2019. As of December 31, 2023, the Adviser manages a total of \$1,148,288,558 of client assets, all of which is managed on a discretionary basis.

#### **Item 5. Fees and Compensation**

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies also typically reimburse the Adviser and its affiliates for certain expenses and/or make other payments to the Adviser or its affiliates for services provided to the Funds and/or their portfolio companies, which, in certain circumstances, reduce the Advisory Fees payable to the

Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Details about such fees and expenses are contained in the Organizational Documents of a Fund. Further details about certain common fees and expenses are set forth below.

### **Advisory Fees**

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”) typically calculated based on committed capital, net asset value, or proposed budget with respect to such Fund. Advisory Fees may be reduced during the life of a Fund. The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser and are set forth in such Fund’s Organizational Documents. The Advisory Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which, to the extent permitted by applicable law, may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

The Advisory Fees paid by a Fund will generally be reduced by a percentage of (1) the fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund’s Organizational Documents and/or (2) certain Other Fees (as defined and described in more detail below under “*Other Fees*”) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the Organizational Documents of the applicable Fund.

Certain investors in the Funds that are employees, former employees, business associates and other “friends and family” of the Adviser, its affiliates or their personnel (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, “Adviser Investors”) will not typically pay Advisory Fees or Carried Interest in connection with their investment in a Fund. Furthermore, the Adviser may, from time to time establish certain investment vehicles through which Adviser Investors or other third parties may invest alongside one or more Funds in one or more investment opportunities, which pay reduced or no Advisory Fees or Carried Interest. Notwithstanding that Adviser Investors will generally not pay Advisory Fees, Adviser Investors will generally pay for their pro rata share of certain Fund expenses, or the pro rata portion of such Adviser Investors’ expenses will be allocated to the Adviser or the general partner of the applicable Fund.

In addition, the Adviser may waive or reduce all or a portion of the Advisory Fee paid by a Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in and alongside such Fund, which could result in acceleration of investor capital contributions. Waived or reduced Advisory Fees are not generally subject to various offsets or the reductions described above. Due to waived or reduced Advisory Fees and/or the timing of receipt of compensation subject to offsets, Fund investors may not receive the full benefit of reductions or offsets (e.g., during periods when the Adviser no longer receives Advisory Fees and

receives compensation that would otherwise be subject to offset, the Adviser, depending on certain elections that may be made by Fund investors, may be entitled to retain such compensation without remitting any such amounts to the applicable Fund or its investments).

Advisory Fees are payable quarterly in advance, and for some Funds the Advisory Fee is amortized monthly over the fiscal quarter. Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

### **Other Fees and Expense Reimbursement**

#### *Other Fees*

In addition to the Advisory Fees and Carried Interest, the Adviser and its affiliates from time to time receive a variety of other cash, equity and other non-cash fees relating to the investment activities of a Fund, its portfolio companies<sup>1</sup> and prospective portfolio companies, including acquisition fees, advisory fees, directors' fees, transaction fees and break-up fees (or other similar fees) (collectively with the other fees described in this section, "Other Fees"). The amount and timing of Other Fees received by the Adviser or its affiliates are generally specified in the agreement or other documentation governing the applicable transaction.

Other Fees are often substantial and may be paid in cash, in securities of the portfolio companies, prospective portfolio companies or investment vehicles (or rights thereto) or otherwise. The payment of Other Fees and reimbursements by portfolio companies and prospective portfolio companies will, in some, but not all, circumstances create a conflict of interest between the Adviser and its affiliates, and the Funds and their investors, because the amounts of these Other Fees and reimbursements are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. The Adviser determines the amount and timing of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. Generally, the amount of such fees and reimbursements will not (except in connection with the reductions described herein) be disclosed to investors in the Funds.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third party involved on behalf of the relevant portfolio company and therefore such fees are not subject to a market check. A conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of the Adviser acting on behalf of both parties.

In addition, the Adviser or its personnel, on behalf of the Adviser, may receive stock of a portfolio company as an Other Fee due to the service of such personnel on the board of such portfolio company or as compensation for other services provided to such portfolio company. In such event, the recipient may act in its own interest with respect to the stock received as an Other Fee

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<sup>1</sup> References to "portfolio companies" may include a variety of portfolio investments / instruments (including shares, tokens and other digital assets). We refer throughout the document to "portfolio companies" in ways that should be read broadly.

(including, for instance, determining to sell the distributed securities, or hold on to the distributed securities for such time as such recipient shall determine in its sole discretion). The ability of such recipients to act in their own interest with respect to the stock received as an Other Fee creates a conflict of interest between the Adviser, as an adviser to the Funds and its personnel, on the one hand, and the Funds, on the other hand, because the recipient's interests may not be aligned with those of the Funds and the recipient may determine to sell the stock received at a different time, or on different terms, than the Fund would sell its interest.

For the avoidance of doubt, any fees paid to the Adviser or its personnel after a Fund has exited (or is in the process of exiting) an investment are not considered "Other Fees" and do not reduce the Advisory Fee.

Any fees that accrue to the benefit of former Adviser Personnel (as defined below) or other persons who are or become unaffiliated with the Adviser (even if any such fee is earned during their tenure with the Adviser) are not considered "Other Fees" and do not reduce the Advisory Fees or otherwise benefit the Funds or their investors. Similarly, any fees that accrue to the benefit of Adviser Personnel or other persons who are affiliated with the Adviser prior to their association with the Adviser (even if any fee received in kind is realized or otherwise converted to cash during their tenure with the Adviser) are not considered "Other Fees" and do not reduce the Advisory Fees or otherwise benefit the Funds or their investors.

#### *Allocation of Other Fees and Advisory Fee Offset*

Although Other Fees are in addition to the Advisory Fees, the Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such Other Fees in accordance with the Organizational Documents of the applicable Fund. Generally, under the terms of the applicable Organizational Documents, for purposes of calculating any Advisory Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such fees.

To the extent an Other Fee relates to more than one Fund participating (or expecting to participate) in an investment, the Other Fee is generally allocated among such Funds pro rata based on the capital commitments of such participating Funds (or for an unconsummated investment, the proposed commitments of the Funds), or on such other basis that the Adviser determines to be fair and reasonable in its sole discretion. However, in determining how to allocate an Other Fee among more than one participating Fund, the Adviser will also take into account, among other things, the type of transaction (e.g., original acquisition or follow-on), the consideration involved in the transaction (cash or in-kind) and the value of the consideration.

To the extent an Other Fee relates to a Fund, co-investment vehicle or third-party investor that does not pay Advisory Fees or to capital committed by a Fund investor that does not pay Advisory Fees, the portion of such Other Fee allocable to the non-fee paying party will be retained by the Adviser, and such amounts will not offset any Advisory Fee paid to the Adviser.

From time to time, the Adviser (in its sole discretion) agrees to pay a portion of an Other Fee received from an actual or prospective portfolio company to a third party, such as a consultant,

advisor, Operations Support Provider (as defined below in Item 11), finder, broker, investor, co-investor and/or investment bank. The Adviser is not required to share the portion of the Other Fee paid to a third party with the Funds (or their investors) and, therefore, the portion of an Other Fee paid to such third party will not reduce the Advisory Fee.

#### *Portfolio Company Expense Reimbursements*

A portfolio company will typically reimburse the Adviser for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable Organizational Documents, and such reimbursements do not reduce the Advisory Fee. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses, which could result in lower returns to investors. As used throughout this brochure, “travel and travel-related” includes all travel expenses for the use of private aircraft, first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment.

### **Expenses**

#### *Adviser Expenses*

To the extent provided in the Organizational Documents of the Funds and except as described herein as a Fund or portfolio company expense, the Adviser generally bears expenses it incurs with the provision of its services, including expenses related to the Adviser’s office space and utilities, and secretarial, clerical and other personnel.

#### *Fund Expenses*

Subject to the Organizational Documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including (i) the Advisory Fee; (ii) (expenses related to the research, due diligence and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including the following: fees and expenses related to obtaining research and market data (including any information technology hardware, software or other technology incorporated into the cost of obtaining such research and market data); due diligence expenses; environmental, social and governance (“ESG”) assessment; impact assessment; costs related to the security and custody of



investments (including, but not limited to, third-party wallet providers); expenses related to the purchase and sale of illiquid investments (including Blockchain Venture Assets (as defined in Item 8)); currency conversions; travel expenses; bank service fees; and fees and expenses of third-party professionals, including consultants, investment bankers, attorneys and accountants; (iii) any legal and other organizational and offering expenses, including legal, accounting, filing, travel and capital raising expenses incurred in the formation of the Funds and reorganizational expenses; (iv) operational expenses, including the following fees and expenses relating to information technology hardware; software or other technology (including, cost of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations), facilitate and manage the purchase and sale of investments, acquire Liquid Digital Assets (as defined in Item 8) and Blockchain Venture Assets or otherwise manage the Fund or any trading vehicle, such as portfolio management systems, risk management systems and order management systems; fees and expenses of third-party risk management products, models and services; third-party administrative fees and expenses; fees and expenses of third-party professionals, including consultants, valuation service providers, ESG and impact consultants, attorneys and accountants; the costs of any litigation (including discovery requests), investigation, arbitration, settlement or indemnification involving activities of the Fund or any trading vehicle; third-party audit and tax preparation expenses; insurance expenses; fees and expenses (including director registration fees) of the Fund's and/or any trading vehicle's directors and officers (including any Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer); expenses of the advisory committee; costs of preparing and distributing reports and notices; taxes; expenses incurred in connection with negotiating and complying with provisions of any side letter agreement; compliance with any impact or ESG initiatives or principles; fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Fund or any trading vehicle, including any governmental, regulatory, licensing, filing or registration fees or taxes (including regulatory filings); (v) expenses incurred in connection with the offering and sale of Fund interests and other similar expenses related to the Fund; extraordinary expenses, including the following: indemnification expenses; fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, or non-U.S. authority, including any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, winding-up, termination or dissolution of the Fund or any trading vehicle; and (vi) costs and expenses incurred in connection with managing and facilitating stakeholder relationships, which may include attendance at or sponsorship of civic events in such communities, as well as contributions to charitable initiatives or other non-profit organizations, to the extent that the Adviser believes such activities could, directly or indirectly, enhance the value of the Fund's investments or otherwise serve a business purpose for, or be beneficial to, the Fund or its portfolio companies.

In addition, the Adviser, from time to time, engages one or more fund administrators or similar service providers to perform certain functions in relation to the Funds, which services may include coordination of the Funds' legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the valuation process and investor correspondence, investor data management and reporting requests as well as data collection

required for various regulatory reporting with which the Funds are required to comply. In certain instances, employees of such service providers dedicate substantially all of their time to the Funds or spend all or a significant majority of their business time at the Adviser's offices. These expenses related to such service provider employees are borne by the Funds. In addition, the Funds will bear the expenses of all third-party administrator service providers even if there is some overlap in services performed by such third-party administrator and Adviser personnel.

From time to time, the general partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the general partner creates an SPV, consistent with the Organizational Documents of the Fund, the expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the SPV, and indirectly, the investors thereof. In addition, expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Fund (including, without limitation, expenses of accounting and tax services) may be borne by the Fund and indirectly, the investors thereof (even if such investors do not participate in any such feeder fund or similar vehicle).

#### *Co-Investment Vehicle Fees, Expenses and Expense Allocation*

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund may be formed in connection with the consummation of a transaction. Consistent with the Organizational Documents of a Fund, in the event a co-investment vehicle is created to invest alongside a Fund, certain expenses (including those related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle, as well as expenses incurred in connection with making and holding an investment) are generally borne by the investors in such co-investment vehicle. In addition, a co-investment vehicle will also generally bear its pro rata portion of expenses incurred in connection with the making of an investment.

Unless the Adviser determines otherwise in its sole discretion or subject to negotiations with a particular co-investor, in general neither co-investment vehicles nor co-investors will bear any expenses relating to a proposed but not consummated transaction ("Dead Deal Costs"), even if a co-investment vehicle has been formed for the purpose of investing in the proposed transaction or if co-investors have otherwise committed to invest in the proposed transaction. For example, it is possible that a co-investor will not agree to share expenses with a Fund if a transaction is not consummated. As a result, Dead Deal Costs are generally borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction which will result in the Fund bearing more than its pro rata share of Dead Deal Costs. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of break-up fees received in connection with such an unconsummated transaction. The Adviser will evaluate the facts and circumstances including, without limitation, timing of the transaction, benefit to the Fund to have co-investors participate in a particular transaction and relative negotiating power. The Adviser will have discretion in determining whether a particular allocation among Fund and co-investors or co-investment vehicles is fair and equitable. This discretion creates a potential conflict of interest as it may have incentive to allocate expenses to a particular Fund over another Fund and it may result

in a Fund bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Costs).

Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to Operations Support Providers (as defined in Item 11 below) and other third parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

To the extent determined to be fair and equitable by the Adviser in its sole discretion, Any fees and expenses incurred in connection with the organization of a co-investment vehicle (including fees and expenses related to negotiating the governing documents of such co-investment vehicle as well as fees and expenses described above) that is expected to invest alongside the Funds in an investment are expected to be borne by the Funds to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Funds.

From time to time, certain the Funds will incur certain ongoing expenses that benefit a co-investment vehicle or co-investor (for instance, insurance premiums). In such instances, and to the extent determined to be fair and equitable by the Adviser in its sole discretion, these ongoing expenses will be borne solely by the applicable Fund or Funds and will not be borne by any benefiting co-investment vehicle or co-investor.

In addition, the Adviser and its affiliates have discretion to (i) receive performance-based compensation, Advisory Fees or similar fees from co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

#### *Allocation of Expenses*

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by the Adviser, a Fund, a portfolio company, co-investors and/or a third party (each, an “Allocable Party”) and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party, or fees, costs and expenses may be allocated among multiple Allocable Parties. The Adviser allocates fees, costs and expenses in accordance with a Fund’s Organizational Documents. Typically, where fees, costs and expenses are incurred for the benefit of one Allocable Party, (for instance, with respect to a feeder fund created for the benefit of certain Fund investors), the Adviser will allocate 100% of such fees, costs and expenses to such Allocable Party, subject to the terms of the Organizational Documents and

the discretion of the Adviser. Similarly, to the extent fees, costs and expenses are incurred in connection with regulatory, tax, accounting, marketing or similar requirements applicable to a particular Allocable Party, the Adviser will typically allocate 100% of such fees, costs and expenses to such Allocable Party subject to any requirements in the Organizational Documents and the discretion of the Adviser. To the extent not addressed in the Organizational Documents of a Fund, the Adviser will make allocation determinations among Allocable Parties in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other fair and equitable method as determined by the Adviser in its sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance and the Adviser may determine an allocation of expenses to be fair and equitable even where a Fund is required to bear more than its proportional share of such fees or expenses relative to other Allocable Parties receiving the same service or participating in the same transaction. In addition, a Fund will bear more or less of a particular expense based on the methodology used, and a Fund will bear more or less of a particular expense based on the number of Allocable Parties the Adviser selects to bear the expense in its initial allocation determination. When making expense allocation determinations, the Adviser generally will allocate an expense to one or more Allocable Parties that are in existence and identified as such at the time the expense allocation determination is made. Accordingly, it can be expected that in certain cases Allocable Parties that were not in existence or otherwise identified as Allocable Parties at the time an expense is allocated will ultimately benefit from a particular expense, without having borne any portion of such expense, and in such cases the Adviser will not re-allocate the expense to each such future Allocable Party, and such future Allocable Part(ies) will benefit at the expense of other Allocable Parties, including the Funds.

There may be occasions when one Allocable Party (the “Payor Allocable Party”) pays an expense common to multiple Allocable Parties (the “Allocated Parties”) (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party.

### **Carried Interest Payments**

Please see Item 6 below regarding Carried Interest that Funds may pay.

### **Brokerage Fees**

The Funds may incur brokerage and other transaction costs as described under Item 12 herein.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

With respect to each Fund a portion of the profits of each such Fund is allocated to the capital account of or is distributed to its general partner, if any, as “carried interest” or as an “incentive allocation” (the “Carried Interest”). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds (including Adviser Investors) may incur lower or no Carried Interest.

The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) creates an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated, at least in part, by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. See also Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

## **Item 7. Types of Clients**

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

### **Methods of Analysis and Investment Strategies**

The Adviser is an investment firm primarily focused on the blockchain and cryptocurrency sectors. The Funds may primarily invest in digital assets, including initial coin offerings, simple agreements for future tokens (“SAFTs”) and simple agreements for future tokens or equity (“SAFTEs”), cryptocurrency coins, “utility tokens,” Bitcoin, Ethereum, and less-liquid digital assets, as well as equity securities in companies in the blockchain and cryptocurrency sectors.

## **Risks**

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

**Legal and Regulatory Environment for Private Investment Funds and their Managers.** While the legal, tax and regulatory environment worldwide for private investment funds and their managers generally continues to evolve, this is especially so with respect to private investment funds investing in Digital Assets (as defined below), Liquid Digital Assets<sup>2</sup> and Blockchain Venture Assets<sup>3</sup> (such as the Funds) and the managers of such funds (such as the Adviser). Changes in the regulation of private investment funds, their managers, and their trading and investing activities, as well as ongoing developments in the laws and regulations regarding Digital Assets, Liquid Digital Assets and Blockchain Venture Assets (and key players/entities in the blockchain space) may have a material adverse effect on the ability of the Funds to pursue their investment program and the value of investments held by the Funds. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations, with an emphasis (including by the SEC) on private investment funds investing in Digital Assets, Liquid Digital Assets and Blockchain Venture Assets. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue their investment program or employ counterparties or service providers (e.g., Digital Assets custodians) could have a material adverse effect on the Funds and the limited partners' investments therein. In addition, the Adviser may, in its sole discretion, cause the Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in the Funds' interest, even if such laws and regulations may have a detrimental effect on one or more limited partners.

Additionally, increased regulation may impose administrative burdens on the Adviser, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Adviser's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

**Alternative Investment Fund Managers Directive.** The Alternative Investment Fund Managers Directive (the "AIFM Directive") regulates: (i) alternative investment fund managers (each, an "AIFM") based in the European Economic Area (the "EEA"); (ii) the management of any

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<sup>2</sup> "Liquid Digital Assets" mean widely traded digital assets such as cryptocurrency coins and "utility tokens" (e.g., Bitcoin and Ethereum) as well as Digital Assets purchased in Early-Stage Token Offerings that are listed on any Digital Asset exchange with a large volume trading.

<sup>3</sup> "Blockchain Venture Assets" mean venture capital investments in blockchain assets and other less-liquid investments (including Digital Assets purchased in Early-Stage Token Offerings that are not Liquid Digital Assets).

alternative investment fund (“AIF”) established in the EEA (irrespective of where an AIF’s AIFM is based); and (iii) the marketing of any AIF, such as a Fund, to professional investors in the EEA.

Under the AIFM Directive, certain conditions must be met to permit the marketing of the interests to any potential and existing investors in the EEA. The ability of a Fund or the Adviser to offer the interests in the EEA will depend on the relevant EEA state permitting the marketing of non-EEA domiciled funds under the national private placement regimes implementing the AIFM Directive and the ability of a Fund and the Adviser to comply with such national private placement regimes, where available. Compliance with the requirements of such regimes may increase the costs of the administration of a Fund significantly, including the costs of regulatory reporting and custody services provided to a Fund. As such, a Fund’s ability to market the interests to EEA investors may be limited.

**Systemic Risk.** Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries with which a Fund interacts, as well as a Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on a Fund and on the markets for the investments (the “Investments”) in which a Fund seeks to invest. A Fund’s blockchain-focused investment strategy will include exposure to Digital Assets, Liquid Digital Assets and Blockchain Venture Assets and involve blockchain intermediaries, the systemic risk of which may be uncorrelated to broader markets.

**Dependence on the Adviser.** The success of a Fund is dependent upon the ability of the Adviser to manage a Fund and effectively implement a Fund’s investment program. A Fund’s governing documents do not permit the limited partners to participate in the management and affairs of a Fund. If the Adviser were to lose the services of either of Adam Goldberg and Alok Vasudev or a Fund or any of the other accounts managed by the Adviser were to incur substantial losses, the Adviser might not be able to provide the same level of service to a Fund as it has in the past or continue operations. The loss of the services of the Adviser could have a material adverse effect on a Fund and the limited partners’ investments therein.

**Dependence on Counterparties and Service Providers.** A Fund is also dependent upon its counterparties (including Digital Asset custodians, wallet providers and exchanges) and the businesses that are not controlled by the Adviser that provide services to a Fund (the “Service Providers”). Examples of Service Providers include a Fund’s administrator, a Fund’s legal counsel and a Fund’s auditors. Errors are inherent in the business and operations of any business, and although the Adviser will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. In particular, a Fund’s technology diligence on blockchain counterparties may not identify all security vulnerabilities and risks, which is especially pertinent given the limited (but growing) number of viable blockchain counterparties (see “Qualified Custodian” below). Any errors or misconduct could have a material adverse effect on a Fund and the limited partners’ investments therein.

As a Fund has no employees, a Fund is reliant on the performance of the Service Providers. Each limited partner’s relationship in respect of its interests is with a Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no limited

partner will have any contractual claim against any Service Provider for any reason related to its services to a Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against a Fund by the relevant Service Provider is, prima facie, a Fund.

**Retention and Motivation of Employees.** The success of a Fund is dependent upon the talents and efforts of highly skilled individuals employed by the Adviser and the Adviser's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the Adviser's investment professionals will continue to be associated with the Adviser throughout the life of a Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on a Fund and the limited partners' investments therein. Competition in the financial services industry for qualified employees (especially in the intersection of technology and finance) is intense and there is no guarantee that, if lost, the talents of the Adviser's investment professionals could be replaced.

**Investment and Due Diligence Process.** Before making investments, the Adviser will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Adviser may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources reasonably available to it, which in some circumstances, whether or not known to the Adviser at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

**Risk of Total Loss of Capital – Investments.** While all investments risk the loss of capital, investments in Investments (e.g., cryptocurrency coins, “app” and “utility” tokens, etc.) should be considered substantially more speculative and significantly more likely to result in a total loss of capital than most other investments in investment funds. Accordingly, an investment in a Fund could result in the total loss of a limited partner's capital.

**Investment Strategy Generally.** The success of a Fund's investment strategy, in large part, depends upon the Adviser's ability to identify and purchase Investments that are undervalued or primed for growth. In certain cases, a Fund may hold investments so as to maximize value on a long-term basis (in such case(s), a Fund may forego value in the short-term or temporary investments in order to be able to avail such Fund of additional and/or longer-term opportunities in the future) or may not be able to realize returns on investments in a timely manner (if at all). The identification of investment opportunities in the implementation of a Fund's investment strategy is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired.



**Diversification and Concentration.** Certain Funds' investments will consist of "blockchain assets," Liquid Digital Assets and Blockchain Venture Assets. The Adviser may select investments that are concentrated in a limited number or types of Investments. In addition, a Fund's portfolio may become significantly concentrated in Investments related to a single or a limited number of Digital Assets or issuers. This limited diversification, and the focus of a Fund overall on "blockchain assets", will result in the concentration of risk.

**Risks Relating to Digital Assets.** A Fund's investments will consist of, or generally will be related in various ways to, the blockchain and cryptocurrency ecosystem. Certain risks relating to digital assets, virtual currencies, cryptocurrencies and/or digital coins/tokens (collectively, "Digital Assets") in which a Fund may invest include the following:

#### *General*

The investment characteristics of certain Digital Assets generally differ from those of traditional currencies, commodities or securities. For example, Digital Assets are often not directly backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, Digital Assets may be market-based: a Digital Asset's value is determined by (and fluctuates often, according to) supply and demand factors, and the value that various market participants place on it through their mutual agreement.

#### *Development and Acceptance of the Digital Asset Networks*

The growth and use of Digital Assets generally is subject to a high degree of uncertainty. Indeed, the future of the industry likely depends on several factors, including: (a) economic and regulatory conditions relating to Digital Assets; (b) government regulation of the use of and access to Digital Assets; (c) government regulation of Digital Asset service providers, custodians, administrators or exchanges; and (d) the domestic and global market demand for, and availability of, other forms of Digital Assets. Banks and other established financial institutions may refuse to process funds for cryptocurrency transactions, process wire transfers to or from cryptocurrency exchanges, Digital Asset-related companies or service providers, or maintain accounts for persons or entities transacting in Digital Assets. Further, a Digital Asset may be hindered by the fact that it may not be considered a legitimate means of payment or legal tender in some jurisdictions. Any slowing or stopping of the development or acceptance of Digital Assets or a Digital Asset network may adversely affect an investment in a Fund.

#### *Blockchain Technology May Not Prove Disruptive*

Blockchain-led transformation may be years away. So far, blockchain technology has, in many instances, not challenged traditional business models with a lower-cost solution, and has not yet overtaken incumbent firms. It may take decades for blockchain technologies to be integrated with economic infrastructure and for companies and businesses in the blockchain space to become profitable.

### *Many Digital Asset Networks Face Scalability Challenges*

Many Digital Asset networks face significant scaling challenges. As the use of Digital Asset networks increases without a corresponding increase in throughput of the networks, average fees and settlement times can become prohibitively high. Certain Digital Asset networks have been, at times, at capacity, which has led to increased transaction fees.

Increased fees and decreased settlement speeds could preclude certain use cases for Digital Asset (e.g., micropayments), and can reduce demand for and the price of Digital Asset, which could adversely impact an investment in a Fund.

Additionally, Digital Asset that rely on proof-of-work validation utilize substantial resources to power the network. The environmental drain may curb adoption and growth of Digital Asset.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of Digital Asset transactions will be effective, or how long these mechanisms will take to become effective, which could adversely impact an investment in a Fund.

### *Digital Asset Offerings and Early-Stage Token Offerings*

A Fund may invest in Digital Assets through participation in initial coin offerings, initial token offerings and other similar offerings (collectively, “Digital Asset Offerings”) and Early-Stage Token Offerings, and in Digital Assets in development through various instruments, including SAFTs/SAFTEs and token warrants. Certain risks relating to Digital Asset Offerings and Early-Stage Token Offerings, SAFTs/SAFTEs and token warrants include the following:

#### *New Digital Assets and Early-Stage Tokens; SAFTs/SAFTEs and token warrants*

Digital Asset Offerings and Early-Stage Token Offerings occur in respect of Digital Assets that have not been tested or used in the marketplace. As a result, the risk that Digital Assets obtained by a Fund through Early-Stage Token Offerings and Digital Asset Offerings will have imperfections and/or be susceptible to hackers is greater than that of Digital Assets that have already been established. In addition, the success or failure of the particular Digital Asset offered through an Early-Stage Token Offering and Digital Asset Offering is highly uncertain, as there is a risk that such Digital Assets will not develop a following.

As described above, a Fund may invest in Digital Assets in development through SAFTs/SAFTEs and token warrants. As these agreements are entered into in respect of Digital Asset Offerings and Early-Stage Token Offerings which have yet to occur, there is a risk that the Digital Asset Offerings and Early-Stage Token Offerings will not occur or that the SAFT/SAFTE or token warrant counterparty will otherwise default in its delivery of the relevant Digital Asset.

### *Rule 144*

Rule 144 is an SEC rule that provides a securities law safe harbor for the public resale of restricted or control securities, but only if certain conditions are met (such as holding period requirements, which are typically six months to one year). In the event that Digital Assets acquired by a Fund in a Digital Asset Offering and Early-Stage Token Offering are securities, a Fund will be restricted from selling those Digital Assets except through a private placement or after satisfying the Rule 144 holding period. Accordingly, the number of trading counterparties will be less than would be the case for a Digital Asset that is not a security (and thus not subject to the same restrictions on resale). Any sale of securities that violate securities laws may be subject to rescission of the transaction by the purchaser.

### *Promise to Hold or Sell; Transferability*

Digital Assets acquired by a Fund in connection with Digital Asset Offerings and Early-Stage Token Offerings may also entail promises to sell within, or hold for, a specified time period. As a result, a Fund may be forced to sell an investment at an inopportune time, or hold an investment at times where it would otherwise be advantageous to sell. In addition, to the extent a Fund invests in a SAFT/SAFTE or token warrant, the SAFT/SAFTE or token warrant may not be transferable.

### *Performance*

Digital Assets sold through Digital Asset Offerings and Early-Stage Token Offerings previously experienced high levels of performance and rapid increases in price. While past performance is generally not indicative of future results, this is especially the case with respect to Digital Assets purchased through Digital Asset Offerings and Early-Stage Token Offerings. Recently, Digital Assets sold through Digital Asset Offerings and Early-Stage Token Offerings have experienced significant declines in price, due, in part, to the regulatory uncertainty surrounding Digital Asset Offerings and Early-Stage Token Offerings (e.g., whether Digital Asset sold through Digital Asset Offerings and Early-Stage Token Offerings are securities) as well as the decreased volume of trading. In addition, the rate at which Digital Asset Offerings and Early-Stage Token Offerings are launched has also declined substantially.

### *Valuation*

The Adviser generally expects that the initial purchase of Digital Assets through a Digital Asset Offering and Early-Stage Token Offering will occur at a substantial discount to the price expected in the event the Digital Asset is successful. Such assets purchased by a Fund will generally be valued at cost until active trading in such Digital Assets develops. Accordingly, limited partners who invest in a Fund prior to the emergence of such active trading will receive the potential benefit of purchasing such Digital Assets at expected discounted prices, and withdrawal proceeds paid to limited partners who withdraw from a Fund prior to the emergence

of such active trading will generally reflect the cost of the Digital Asset Offering or Early-Stage Token Offering and not the expected trading price of such Digital Assets on any active exchange or other market. The value of Digital Assets acquired through a Digital Asset Offering and Early-Stage Token Offering (prior to active trading) may also be adjusted based on various factors.

### *Fraudulent Early-Stage Token Offerings and Digital Asset Offerings*

Digital Asset Offerings and Early-Stage Token Offerings in which a Fund participates are unregulated and may turn out to be fraudulent. There is no guarantee that funds lost due to such fraudulent actions will be recovered by a Fund.

### *SEC Involvement*

As further discussed below, the SEC has advised that, depending on the facts and circumstances of each individual Digital Asset Offering and Early-Stage Token Offering, the Digital Assets that are offered or sold in a Digital Asset Offering or Early-Stage Token Offering may be deemed securities.<sup>4</sup> While it remains uncertain whether the SEC will take any action concerning a particular Digital Asset Offering and Early-Stage Token Offering, even if the SEC does not take action with respect to Digital Asset Offerings and Early-Stage Token Offerings held by a Fund, any actions taken by the SEC with respect to Digital Asset Offerings and Early-Stage Token Offerings generally may potentially impact the value and liquidity of Digital Assets in a Fund's portfolio.

As SAFTs/SAFTEs and token warrant are generally considered "investment contracts", and thus securities, dealing in SAFTs/SAFTEs and warrants requires compliance with the securities laws, and SAFTs/SAFTEs and warrants may be subject to the risks described herein with respect to securities law compliance. There is no assurance that the offer, sale or purchase of any SAFT/SAFTE or warrant will be deemed "compliant" by any regulatory authority.

## *Digital Asset Exchanges*

### *General*

The exchanges on which Digital Assets trade are relatively new and generally unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. Digital Asset exchanges may be start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Many such Digital Asset trading venues, including digital asset exchanges and over the counter trading venues, do not provide the public with significant information regarding proof of their reserves (e.g., amounts standing to the credit of customers' accounts) or their ownership

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<sup>4</sup> See <http://www.sec.gov/litigation/investreport/34-81207.pdf>; see also <http://www.investor.gov/additionalresources/news-alerts/alerts-bulletins/investor-bulletin-initial-coin-offerings>.

structure, management teams, corporate practices or regulatory compliance. Centralized exchanges generally require fiat currency funds or cryptocurrency coins to be deposited in advance in order to purchase Digital Assets, and no assurance can be given that those deposit funds or cryptocurrency coins can be recovered. Additionally, upon any withdrawal of Digital Assets or fiat currency, proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Assets from a personal account to a third-party's account. A Fund will take credit risk of an exchange when it transacts.

Digital Asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of Digital Assets for fiat currency difficult or impossible. Additionally, Digital Asset prices and valuations on Digital Asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. A Digital Asset exchange may experience volatile price swings for seemingly no reason and at times when other Digital Asset exchanges are not experiencing volatility. The prices and valuation of Digital Assets remain subject to any volatility experienced by Digital Assets exchanges, and any such volatility can adversely affect an investment in a Fund.

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

Exchanges may even shut down or go offline voluntarily, without any recourse for investors. In many of these instances, the customers of such exchanges have not been compensated or made whole for the partial or complete loss of their account balances. An exchange may be unable to replace missing Digital Assets or seek reimbursement for any theft of Digital Assets, adversely affecting investors and an investment in a Fund.

Unlike broker-dealers registered with the SEC, Digital Asset exchanges are not required to maintain possession of the Digital Assets deposited by customers. As a result, Digital Assets held in an account at an exchange are subject to the risk that the exchange operator may sell, lend, or otherwise rehypothecate those digital assets, subjecting them to risk of loss. Those Digital Assets may also be lost as a result of fraud or other bad acts of the exchange operator or its employees. To the extent that a Digital Asset exchange, as a result of fraud, the rehypothecation of customer assets, or otherwise, becomes insolvent or fails to return its customers' Digital Assets upon a withdrawal request, customers' rights to recover deposited

digital assets are uncertain and those customers could incur material losses. Any amounts deposited with an exchange are subject to credit risk.

Furthermore, many Digital Asset exchanges lack certain safeguards put in place by more traditional exchanges to enhance the stability of trading on the exchange and prevent flash crashes, such as limit-down circuit breakers. As a result, the prices of Digital Assets on Digital Asset exchanges may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges. A Digital Asset exchange may experience volatile price swings for seemingly no reason and at times when other Digital Asset exchanges are not experiencing volatility.

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

#### *Limited Exchanges on Which to Trade*

A Fund may trade Digital Assets on a limited number of Digital Asset exchanges (and potentially only a single exchange) because of actual or perceived counterparty or other risks related to a particular exchange. Trading on a limited number of exchanges or a single exchange may result in less favorable prices and decreased liquidity for a Fund and therefore could have an adverse effect on a Fund and its investors.

#### *Non-U.S. Operations*

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

#### *Risks of Buying or Selling Digital Assets*

A Fund may transact with private buyers or sellers or Digital Asset exchanges. A Fund will take on credit risk when it purchases or sells Digital Assets, and its

contractual rights with respect to such transactions may be limited. Although a Fund's transfers of Digital Assets or fiat currency will be made to or from a counterparty that the Adviser believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, a Fund's Digital Assets or fiat currency 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 the Fund's Digital Assets or fiat currency (through error or theft), the Fund will be unable to recover incorrectly transferred Digital Assets or fiat currency, and such losses will negatively impact the Fund.

Certain Digital Asset exchanges may place limits on a Fund's transactions, or a Fund may be unable to find a willing buyer or seller of Digital Assets. To the extent a Fund experiences difficulty in buying or selling Digital Assets, investors may experience delays in subscriptions or payment of withdrawal proceeds, or there may be delays in liquidation of the Fund's Digital Assets —adversely affecting the net asset value of the Fund.

#### *Decentralized Exchange Risk*

A Fund may execute trades on decentralized Digital Asset exchanges. Decentralized exchanges are peer-to-peer marketplaces where users can trade digital assets without the need for an intermediary. Unlike centralized exchanges, users retain custody of their Digital Assets and trades are executed directly between users' wallets. Transactions are facilitated and executed by a suite of interconnected smart contracts, which subjects the users to the risks that those smart contracts may not operate as intended, or as expected, and that any transactions effected by the smart contracts may not be reversible. See "Developing Smart Contract Industry" and "Irrevocable Digital Asset Transactions."

In particular, many decentralized exchanges rely on complex smart contracts (or collections of smart contracts) called automated market makers to fill, buy and sell orders placed on the exchange. Automated market makers, as a general rule, only execute trades at the market price, as determined by an algorithm embedded in the automated market maker's smart contract(s). As a result, it may be difficult or impossible to guarantee the price at which a buy or sell order will settle on a decentralized exchange, and in some cases, the sale or purchase price may not, in the Adviser's opinion, reflect the true market price of the relevant Digital Asset. All trades on a decentralized exchange are reflected on the relevant blockchain, and will therefore be subject to any transaction fees applicable to the network, which may be prohibitively high during times of network congestion (e.g., often correlating to period of market stress and volatility). See "Risks Related to Digital Assets, Many Digital Asset Networks Face Scalability Challenges."

Users of decentralized exchanges are not subject to any anti-money laundering, anti-terrorism financing, or sanctions screening. To the extent that a Fund trades Digital Assets on decentralized exchanges, it may unintentionally and/or

unknowingly transact directly with a person or entity subject to sanctions, which may have material adverse consequences for such Fund. Many Digital Assets custodians do not permit customers to trade on decentralized exchanges directly from custodial accounts. As a result, a Fund may be required to withdraw Digital Assets held with custodians and “self-custody” those Digital Assets or hold them with a custodian that is not a “qualified custodian” for purposes of the Advisers Act in order to engage with decentralized exchanges, which may cause the Adviser to fail to comply with its obligations under the Advisers Act. Self-custody, in particular, could expose a Fund to risk of loss as a result of a security breach, loss of private keys, or other circumstances mitigated by the use of a third-party custodian. See “Security Risk,” “Loss of Assess Risk” and “Limited Ability to Recover Losses Due to Multi-Factor Security System.”

Although one benefit of decentralized exchanges is that they often permit trading in a larger number (and larger number of pairs) of Digital Assets than is generally available via centralized exchanges, especially those located within the United States, this also increases the risk that a Fund may make erroneous trades, which in nearly all cases will be irreversible and which may result in material losses to such Fund. See “Irrevocable Digital Asset Transactions.” This risk may be exacerbated where a decentralized exchange lists a Digital Asset that has little utility or realistic outlook, but uses a name or ticker very similar to a successful or otherwise popular Digital Asset or project. Further, decentralized exchanges do not permit the conversion of Digital Assets to or from fiat currencies, so a Fund may have greater exposure to stablecoins than if it were able to convert its holdings to cash on a centralized exchange. See “Risk of Distortion from Stablecoins.” Finally, historically, decentralized exchanges have had lower trading volumes than many centralized exchanges, which could result in poor trade execution and/or higher volatility. Any of the risks discussed above could have a material adverse effect on a Fund as a result of its use of one or more decentralized exchanges.

#### *Regulatory Risks for Digital Asset Exchanges*

Many Digital Asset exchanges support the trading of a wide variety of Digital Assets, including those that are likely to be considered securities under U.S. federal and state securities laws. The SEC has suggested that many Digital Asset exchanges and other intermediaries that provide services for Digital Assets that are securities may be acting improperly without licenses, for example as unlicensed national securities exchanges.

On February 15, 2023, the SEC published proposed amendments to Rule 206(4)-2 under the Advisers Act (the so-called “custody rule”), which would, if adopted in their proposed form, impose onerous requirements on operators of Digital Asset exchanges that wish to continue to facilitate trading for institutional investors. The proposed rule would prohibit investment advisers registered under the Advisers Act, including the Adviser, from trading on behalf of clients on centralized exchanges, unless exchange operators are registered as broker-dealers under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or the



exchanges operate on a non-custodial basis (e.g., do not require users to deposit digital assets prior to trading). There are currently no centralized Digital Asset exchanges that meet these requirements. If adopted without significant modifications, these amendments will materially adversely limit the Fund's ability to trade Digital Assets, which would have a material and adverse impact on the Fund's ability to pursue its investment objective.

Further, the SEC published proposed rules (and subsequent updates to those proposed rules) imposing new obligations on alternative trading systems ("ATs"). The SEC's proposed rule would make clear that rules governing ATs apply to Digital Asset exchanges, including non-custodial decentralized exchanges, that are not deemed "exchanges" under U.S. securities law. There are currently no Digital Asset exchanges, centralized or decentralized, that meet the proposed requirements (nor that meet the current requirements for an AT). If adopted without significant modifications, these amendments may cause centralized and decentralized Digital Asset exchanges to cease operations or prohibit customers located in, resident of, or that otherwise have a nexus to the United States. Any of those outcomes would materially and adversely limit the Fund's ability to trade Digital Assets, which would have a material and adverse impact on the Fund's ability to pursue its investment objective.

#### *Proof of Stake and Staking Risk*

Certain Digital Asset networks operate on a system where only holders of the relevant Digital Assets (who are required to "pledge" an amount of their Digital Assets to a "smart contract" governing the network) may validate new blocks on the blockchain; these Digital Asset networks are said to use a "proof of stake" model and new blocks on the blockchain are sometimes said to be "verified" or "validated," as opposed to "mined." Digital Asset networks that use a proof of stake model typically reward validators with transaction fees (i.e., as opposed to a set reward of Digital Assets (e.g., a "block reward")). The process by which blocks are validated on proof of stake Digital Asset networks varies greatly, but typically new blocks are proposed by one holder of the Digital Assets (determined by an algorithm included in the smart contract governing the network) and agreed to by a consensus of other holders of the relevant Digital Asset. If validators demand higher transaction fees in exchange for validating new blocks in a Digital Asset blockchain, the demand for that Digital Asset and, accordingly, its value, may be adversely impacted. Further, one or more large validators could theoretically interfere with a network's performance. Although they would not be capable of reversing transactions or double-spending digital assets (as is the case if one or more miner obtains a majority of the processing power on a proof-of-work network), the validators could materially slow the confirmation of new blocks, potentially indefinitely. Any such disruption would be likely to materially adversely affect market interest in the relevant Digital Asset, and may have an adverse impact on the Fund and the Digital Assets markets generally. Digital Asset networks that currently operate on a proof of work basis may transition to a proof of stake model.

A Fund may stake its Digital Assets by pledging them to a validator node operator, which may be a custodian, a third party or a decentralized finance platform. In doing so, the Fund will receive a portion of the transaction fees. Staking will be subject to additional risks, which will vary depending on the protocols that govern the networks. Further, the SEC may deem delegated staking arrangements to constitute securities under U.S. law, in which case node operators may cease offering delegated staking or limit their offerings in a manner that excludes the Fund.

To the extent that a Fund delegates its staking power to its custodian, a third party or a decentralized finance platform, the Fund will generally be subject to liquidity risk. Staked assets cannot be moved until they are unstaked through an “unbonding period”, the length of which can vary depending on a Digital Asset’s protocol. However, certain decentralized finance platforms offering staking services issue derivative tokens to users that pledge Digital Assets to a staking pool. The price of derivative tokens is correlated with the price of the pledged Digital Asset, however, there is no guarantee that this will always be the case. Derivative tokens can be sold, in which case the user may forego its staking rewards, or otherwise utilized to generate additional returns. The derivative tokens can be exchanged for the original Digital Assets, and, typically, any associated staking rewards, at any time, subject to any unbonding period. If Digital Assets must be transferred to a third party to permit staking (as may be the case with large centralized institutions), staked Digital Assets will be subject to the same risks as those held in other custodial relationships. See “Custodians,” “Cybersecurity Risk,” and “Digital Asset Exchanges.”

Additionally, there can be no assurance that a validator node operator will remain fully operational while a Fund’s Digital Assets are staked. If a validator node operator goes offline or becomes unavailable for validations, it will be subject to “slashing” which may result in a partial or complete loss of the Fund’s pledged assets. Slashing may also occur due to technical errors or bad acts by a validator node operating during the validation or attestation process.

#### *Developing Smart Contract Industry*

Smart contracts are computer programs or protocols intended to automatically, without requiring the action of any “party” to the smart contract or other intermediary, execute, control or document certain pre-identified events and actions set forth in the code or terms of the smart contract. In many cases, Digital Assets are pledged to a public address controlled by the smart contract and then those assets or another digital asset is delivered to a pre-determined public address, sometimes upon the occurrence of additional specified events. As a general rule, once the operation of a smart contract is initiated, it cannot be stopped or reversed, so mistakes or “bugs” in their programming can have unintended and potentially catastrophic effects (although these are typically limited to the loss of the Digital Assets pledged to the smart contract). Historically, there have been bugs in the smart contracts of certain Digital Asset networks that allow hackers access to the networks and their funds. Smart contracts are a recent innovation, and their legal enforceability is uncertain.

### *Non-Fungible Token Risk*

The Funds may invest in non-fungible tokens (“NFTs”). NFTs are distinct from other widely-traded digital assets in that each NFT is unique. NFTs may represent digital art, music, sports memorabilia, or anything else that can be represented digitally. NFTs may also represent title to or a license or right to use a physical object or real property. Although the ownership of a particular NFT can be traced on the applicable blockchain ledger, the digital item represented or referenced by the NFT may not have been owned by the person or persons that originally “minted” or created the NFT, in which case the value of the NFT may be materially adversely impacted. And even if an NFT gives the holder valid rights with respect to a digital item, those rights may be extremely limited (for instance, prohibiting commercial exploitation or being time-limited). Further still, there may be a limited practical ability to prevent third parties from creating un-authorized copies of any digital item represented by an NFT. The digital item represented by, and giving value to, an NFT is not typically embedded in the NFT or on the relevant blockchain, but is instead available through a website or another internet-connected site or service; there is no guarantee that any such site or service will remain available or operational, in which case the NFT itself may cease to have value. NFTs have been subject to a high frequency of fraud, including sales of duplicates of supposedly unique tokens. Finally, because NFTs are unique, they are inherently less liquid and more difficult to value than more traditional digital assets that are fungible. Any investment in an NFT is speculative and may ultimately be worthless.

Exchanges and trading platforms are evolving quickly with respect to the purchase and sale of NFTs, but currently trading NFTs may be inherently more limited or fragmented than other types of digital assets. As a result, the liquidity of NFTs may be limited, which may adversely affect the Fund’s ability to sell a particular NFT at favorable price. Additionally, the terms attached to NFTs may vary with respect to royalties (i.e., payments due to the creator upon any transfer), IP rights and the venues on which the NFT may be transferred. Such terms may adversely affect the Fund’s investments in NFTs.

### *Government Oversight of Digital Assets and Digital Asset Exchanges*

FinCEN, the U.S. federal agency charged with administering U.S. anti-money laundering (“AML”) laws and regulations, has issued guidance, categorizing businesses serving as “administrators” and “exchangers” of certain categories of Digital Assets (i.e., convertible virtual currencies) as money services businesses. The FinCEN guidance defines an exchanger as “a person engaged as a business in the exchange of virtual currency for real currency, funds or other virtual currency” and an administrator as “a person engaged as a business in issuing (putting into circulation) a virtual currency and who has the authority to redeem (to withdraw from circulation) such virtual currency.” Users of convertible virtual currencies were not directly affected by the guidance. Since the issuance of its initial guidance, FinCEN has published additional administrative rulings and further guidance, providing additional information on whether certain conduct related to convertible virtual currency renders a person or entity a money transmitter under FinCEN regulations affirming its regulatory framework for virtual currencies. Under FinCEN’s regulations, a person or entity engaging in money transmission must register as a “money

services business,” develop an AML program and adhere to federal reporting and recordkeeping requirements.

Further, the United States Department of Treasury Office of Foreign Assets Control (“OFAC”) may add digital currency addresses to the list of Specially Designated Nationals whose assets are blocked, and with whom U.S. persons are generally prohibited from dealing. OFAC has added digital currency addresses to the list of Specially Designated Nationals in the past, and may do so in the future. If these additions, or similar actions by organizations in other jurisdictions, become more common, there may be uncertainty in the market as to whether Digital Assets that have in the past been associated with such addresses can be easily sold. These “tainted” Digital Assets may trade at a substantial discount to untainted Digital Assets. The Fund’s calculation of NAV assumes that units of the same Digital Asset will continue to be fungible with each other. If different units of the same Digital Asset begin to trade at different prices based on their history the Fund will reevaluate its NAV calculation procedures. Amended calculation procedures may require the Fund to incur substantial additional expense in order to audit the history of its Digital Assets. Additionally, reduced fungibility in the Digital Asset markets may reduce the liquidity of Digital assets and therefore adversely affect their price.

On the state level, companies that handle Digital Assets may also have to comply with the separate state licensing practices for money transmitters, and a growing number of states have sought specific legislation, adopted rules, or provided guidance on the regulation of Digital Assets. For example, the New York Department of Financial Services regulates the conduct of persons or entities that are involved in virtual currency business activity in New York or with New York customers and prohibits any person or entity involved in such activity to conduct activities without a license, known as a “BitLicense.” California adopted regulations on Digital Asset service providers similar to those applicable in New York.

Other states are seeking legislation, adopting rules or providing guidance (or have already done so) regarding virtual currency business activity. The expectation is that this trend will continue as states seek to protect businesses and consumers.

Further, digital assets currently face an uncertain regulatory landscape in many foreign jurisdictions. The rules and regulations in different foreign jurisdictions can vary widely. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Digital Assets. Such laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of Digital Assets by users, merchants and service providers outside the United States and may therefore impede the growth or sustainability of the Digital Asset economy in these jurisdictions as well as in the United States and elsewhere, or otherwise negatively affect the value of Digital Assets.

It is also possible that government authorities may claim ownership over various Digital Assets, including their source codes and protocols. Law enforcement agencies may take direct or indirect investigative or prosecutorial action related to, among other things, the use, ownership or transfer of Digital Assets.

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

### *Federal Regulatory Authorities*

The laws regarding Digital Assets, Digital Asset Offerings and Early-Stage Token Offerings and SAFTs/SAFTEs and token warrants are still evolving and not yet clearly defined. Certain Digital Assets (including those purchased in Digital Asset Offerings or Early-Stage Token Offerings or pursuant to SAFTs/SAFTEs or warrants) may be deemed to be securities or commodities, or neither securities nor commodities.

Buying, selling and trading in the securities is regulated by the SEC. Under U.S. federal securities laws, a company may not issue securities unless the offering is registered with the SEC or an exemption to registration is otherwise available (*i.e.*, the securities are sold through “private placement”). In addition, any resale of securities sold through a “private placement” is generally restricted (unless certain specific exceptions are available).

Should a Digital Asset exchange or other service provider determine that certain Digital Assets are or may soon be determined by the SEC to be securities, the exchange may delist those Digital Assets. Additionally, there may be enforcement actions against current U.S. and foreign Digital Asset exchanges doing business in the United States that facilitate trading in Digital Assets that are securities, which could decrease the prices for all Digital Assets. If the SEC were to determine, or if there is an expectation that the SEC may determine, that a particular Digital Asset is a security, the price of that Digital Asset could significantly decrease, which could also lead to decreases in the prices of other Digital Assets as well. Whether a Fund holds such Digital Asset or not, the SEC’s determination or a market expectation of the SEC’s determination that a Digital Asset is a security could adversely affect the Fund, possibly materially.

The Commodity Futures Trading Commission (the “CFTC”) treats certain Digital Assets as “commodities” and the CFTC has not, to date, taken the view that any particular Digital Asset is a “commodity interest” under the Commodity Exchange Act (the “CEA”). To the extent that any Digital Assets are deemed to fall within the definition of a “commodity interest” under the CEA, a Fund and its general partner (or similar managing entity) may be subject to additional regulation under the CEA and CFTC regulations. The general partner may be required to register as a commodity pool operator or commodity trading advisor with the CFTC and become a member of the National Futures Association and may be subject to additional regulatory requirements with respect to that Fund, including disclosure and reporting requirements. These additional requirements may result in extraordinary, recurring and/or nonrecurring expenses of the Fund, thereby materially and adversely impacting the Fund. If the general partner determines not to comply with such additional regulatory and registration requirements, the general partner may terminate the Fund. Any such termination could result in the liquidation of the Fund’s Digital Assets at a time that is disadvantageous to its limited partners.

### *Tax Risk of Digital Assets Investments*

The Funds will make investments in and conduct activities with respect to Digital Assets (including staking activities, as described herein). The tax treatment of such investments and activities is unclear. The IRS has issued preliminary guidance concerning the tax treatment of certain “virtual currencies” (defined as a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value that has an equivalent value in real currency, or that acts as a substitute for real currency). However, there are many other types of Digital Assets and related activities the treatment of which remain unclear, and the IRS guidance does not address all aspects of the ownership or transfer of Digital Assets or activities related thereto. The Funds’ investments in and activities with respect to Digital Assets may result in the Funds recognizing ECI or UBTI and could require limited partners to recognize taxable income or gain before the disposition of the Digital Assets, or on an accelerated basis.

It is also unclear what additional guidance on the treatment of Digital Assets for U.S. federal income tax purposes may be issued in the future. Any such alteration of the current IRS positions or additional guidance could result in adverse tax consequences for the Funds and their investors and could have an adverse effect on the value of Digital Assets the Funds invest in, and therefore may have an adverse effect on the value of the Funds.

U.S. tax rules impose certain information reporting requirements on certain entities acting as “brokers” with respect to certain Digital Assets, as well as certain filing obligations on persons who receive at least \$10,000 worth of certain Digital Assets in one or more related transactions in connection with the conduct of a trade or business. Potentially severe penalties apply for non-compliance. It is possible that the Funds may be required to report and/or make filings and provide certain information about the investors and the Funds’ investments to the IRS.

Because of the uncertain nature of the rules related to Digital Assets, the Funds’ investments in Digital Assets could result in unexpected and potentially retroactive recognition of taxable income for investors in the Funds, which could potentially result in substantial investment losses for such investors. Each investor should consult with and rely on its own independent tax counsel as to the U.S. federal income tax consequences of the Fund’s investment in Digital Assets and income and loss therefrom based on such investor’s particular circumstances, as well as to applicable state, local or non-United States tax laws.

The General Partner intends, in consultation with appropriate professional advisors, to cause the Funds to take positions for U.S. federal income tax purposes that are reasonable under then-current interpretation of U.S. federal income tax law. However, those tax positions that may ultimately be treated differently in the course of an audit by the IRS, or the regulations promulgated by the IRS may change over time, and a court may ultimately agree with the IRS as opposed to the Funds. As a result, limited partners may be subject to adverse tax consequences associated with their investment in the Funds.

**Security Risk.** The Adviser undertakes efforts to ensure the highest levels of data protection and information assurance internally (seeking to identify and use industry-leading best practices for data storage and transmission, the strongest cryptography known and available to the private sector, and stringent internal controls on data and communications). Security protocols have been designed specifically to provide security for a Fund's assets and may be expanded, updated and altered from time to time. Any effort to expand, update or alter the security system is likely to be complex, and unanticipated delays in the completion of these projects may lead to unanticipated project costs, operational inefficiencies or vulnerabilities to security breaches. In addition, there may be problems with the design or implementation of certain security protocols or with an expansion or upgrade thereto that are not evident during the testing phases of design and implementation, and that may only become apparent after a Fund has utilized the infrastructure. Any issues relating to the performance and effectiveness of the security procedures used by a Fund, its custodians and security vendors to protect its digital assets, such as algorithms, codes, passwords, multiple signature systems, encryption and telephone call-backs, may have an adverse impact on an investment in a Fund. Events may occur where corrupted files, viruses and/or attachments are introduced into a Fund's platform, which could compromise a Fund's operation or result in loss of Digital Assets, adversely affecting an investment in the Fund.

There exists the possibility that while acquiring or disposing of Digital Assets, a Fund will unknowingly engage in transactions with bad actors, some of whom are under the scrutiny of government investigative agencies. As such, a Fund's systems or a portion thereof may be taken off-line pursuant to legal process such as the service of a search and/or seizure warrant. Such action could result in the loss of Digital Assets previously under a Fund's control.

The security procedures implemented by the Adviser, a Fund and its custodian and security vendors are technical and complex, and a Fund depends on these security procedures to protect the storage, acceptance and distribution of data relating to Digital Assets and the digital wallets that hold the private keys associated with a Fund's Digital Assets. These security procedures may not protect against all errors, software flaws or vulnerabilities. Defects in the security procedures may only be discovered after a failure in the custodians' and security vendors' safekeeping and storage of a Fund's Digital Assets.

While a Fund intends to use custodians to secure a Fund's Digital Assets, a Fund may employ other systems to safeguard Digital Asset holdings, including self-custody. The Fund's systems in place to secure the Digital Assets may not prevent the improper access to, or damage or theft of a Fund's Digital Assets. Further, a security breach could harm a Fund's reputation or result in the loss of some or all of a Fund's Digital Assets. Any such security breach or leak of non-public information relating to the security of Digital Assets may adversely affect an investment in a Fund.

It is not uncommon for businesses in the Digital Asset space to experience large losses due to fraud and breaches of their security systems. See "Digital Asset Exchanges."

Furthermore, a Fund's private keys required to transfer a Fund's Digital Assets could be stored on systems or vaults located across the world, depending on the practices and procedures of a Fund's custodian or other custodians or security vendors, which could be subject to (i) hostile regulatory treatment of digital assets, (ii) unforeseen social, economic or political unrest and (iii) natural or man-made disaster.

A Fund, the Adviser, a Fund's custodian and other custodians, the security vendors and each of their agents will take measures to protect such Fund and its Digital Assets from unauthorized access, damage or theft. However, it is possible that the security procedures in place may not prevent the improper access to, or damage or theft of a Fund's Digital Assets. A security breach could harm a Fund's reputation or result in the loss of some or all of a Fund's Digital Assets.

**Loss of Access Risks.** Digital assets are controllable only by the possessor of both the unique public key and private key or keys relating to the address on the blockchain where such Digital Assets are held. Private keys must be safeguarded and kept private in order to prevent a third party from accessing the Digital Asset held at the corresponding address. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, a Fund will be unable to access the Digital Asset held at such address on the blockchain.

Any loss of private keys relating to digital wallets used to store a Fund's digital assets could adversely affect an investment in a Fund.

**Limited Ability to Recover Losses Due to Multi-Factor Security System.** A Fund may make use of a multi-factor security system under which none of the Adviser, the Fund, nor a designated security vendor has the unilateral ability to transfer a Fund's Digital Assets. In these situations, lack of a custodian or a party that holds exclusive access to a Fund's Digital Assets on such Fund's behalf, as well as limited liability of designated security vendors, may impair the ability of a Fund to access its Digital Assets or recover losses relating to its Digital Assets.

Additionally, a Fund may self-custody or use a custodian that uses a multi-factor security system that requires multiple individuals or entities to work together to transfer a Fund's Digital Assets. Even though in such circumstances a Fund or custodian should have the unilateral ability to transfer a Fund's Digital Assets, a contractual dispute or an individuals' or entities' inability to perform its obligations may impair a Fund's ability to timely access its Digital Assets and could lead to the irreversible loss of a Fund's Digital Assets.

In addition, because the security of a Fund's Digital Assets may be facilitated by multiple parties, it may be difficult for a Fund to prove that any particular party caused a loss, which could limit a Fund's ability to recover losses relating to its Digital Assets. Designated security vendors or participants in a multi-factor security system may have limited liability, impairing the ability of a Fund to recover losses relating to its Digital Assets and any recovery may be limited, even in the event of fraud. Furthermore, designated security vendors or other participants in a multi-factor security system may not be liable for any delay in performance of any of their obligations by reason of any cause beyond its reasonable control, including acts of God, war or terrorism, and may not be liable for any system failure or third-party penetration of their systems, unless such system failure or third-party penetration is the result of gross negligence, bad faith or willful misconduct on the part of the designated security vendor. As a result, the recourse of a Fund or the investor may be limited. A loss of confidence or breach in a Fund's security and technology policies may adversely affect a Fund and the value of an investment in the interests of a Fund.



**Price Volatility.** A principal risk in trading Digital Assets is the rapid fluctuation of their market price. The value of a limited partner's capital account balance relates directly to the value of the Digital Assets held in a Fund and fluctuations in the price of Digital Assets could adversely affect the net asset value of a Fund and a limited partner's capital account. There is no guarantee that a Fund will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at the most favorable price available. The price of Digital Assets achieved by a Fund may be affected generally by a wide variety of complex and difficult to predict factors (for example: supply and demand or political, natural and economic events).

To the extent the public demand for Digital Assets were to decrease, or a Fund were unable to find a willing buyer, the price of Digital Assets could fluctuate rapidly and a Fund may be unable to sell the Digital Assets in its possession or custody. Limited partners will be subject to the risk of price fluctuations of Digital Assets until they are fully withdrawn from a Fund. Further, if the supply of Digital Assets available to the public were to increase or decrease suddenly due to, for example, a change in a Digital Asset's source code, the dissolution of a Digital Asset exchange, or seizure of Digital Assets by government authorities, the price of Digital Assets could fluctuate rapidly. Such changes in demand and supply of Digital Assets could adversely affect an investment in a Fund. In addition, governments may intervene, directly and by regulation, in the Digital Asset market, with the specific effect, or intention, of influencing Digital Asset prices and valuation (*e.g.*, releasing previously seized Digital Assets). Similarly, any government action or regulation may indirectly affect the Digital Asset market or Digital Asset network, influencing Digital Asset use or prices.

A Fund will compete with direct investments in Digital Assets and other potential financial vehicles backed or linked to Digital Assets. Any change in market and financial conditions, or other conditions beyond a Fund's control, may make investment and speculation in Digital Assets more attractive, which could limit the supply of Digital Assets and increase or decrease liquidity.

**Performance of Digital Assets.** In the event the types of Digital Assets held by a Fund perform less well than competing Digital Assets, such Digital Assets held by the Fund may be devalued or fall into disuse, adversely affecting the Fund.

**Destruction of Digital Assets.** Digital Assets are generally intended to be controllable only by the possessor of both the unique public and private keys. To the extent private keys relating to a Fund's Digital Asset holdings are lost, destroyed or otherwise compromised, the Fund may be unable to access the related Digital Assets, and such private keys are not capable of being restored by the Digital Asset network. Any loss of private keys relating to digital wallets used to store a Fund's Digital Assets will adversely affect an investment in a Fund.

**Irrevocable Digital Asset Transactions.** Just as a blockchain (or similar technology) creates a permanent, public record of Digital Asset transactions, it also creates an irrevocable one. Transactions that have been verified, and thus recorded as a block on the blockchain (or similar technology), generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Digital Assets, the transaction is not reversible. A Fund may be unable to replace missing Digital Assets or seek reimbursement for any erroneous transfer or theft of Digital Assets. To the extent that a Fund is unable to seek redress for such action, error or theft, such loss will adversely affect an investment in the Fund.

**Security of Digital Asset Networks.** Techniques to secure the blockchains of Digital Asset networks are recent inventions and may fail. For example, the incentives that keep a blockchain decentralized may prove insufficient, thus impacting the value or security of Investment held by a Fund. Exploits in various blockchains may occur which result in losses for a Fund.

**Risks of Decentralized Finance.** A Fund may engage in economic or other activities through one or more decentralized finance (“defi”) products or platforms, including decentralized exchanges. See “Decentralized Exchange Risk.” Defi products and platforms are generally intended to replicate the functionality of existing traditional financial products and services, but without the interposition of a centralized institution or other third party between end users of the relevant product or service. Other defi platforms, like those facilitating delegated staking activities, are unrelated to any existing traditional financial products and may relate to blockchain-native products or services. For example, defi lending platforms permit holders of a Digital Asset to make those Digital Assets available for securitized loans to borrowers, with the lending transaction intermediated only by the defi platform’s smart contracts. Transactions are facilitated and executed by a suite of interconnected smart contracts, which may not always operate as intended, or as expected. See “Developing Smart Contract Industry.” Further, any unintended transactions effected by the smart contracts may not be reversible. See “Irrevocable Digital Asset Transactions.” Trades on a decentralized exchange and other interactions with defi platforms are generally reflected on the relevant blockchain, and will therefore be subject to any transaction fees applicable to the network, which may be prohibitively high during times of network congestion (e.g., often correlating to period of market stress and volatility). See “Many Digital Asset Networks Face Scalability Challenges.” Users of defi platforms are generally not subject to any anti-money laundering, anti-terrorism financing, or sanctions screening. To the extent that a Fund trades Digital Asset on decentralized exchanges or otherwise engages in economic transactions on a defi platform, it may unintentionally and/or unknowingly transact directly with a person or entity subject to sanctions, which may have material adverse consequences for the Fund. Defi platforms have in the past, and may in the future, themselves been subject to sanctions, in which case any assets pledged to the defi platform may be viewed as “tainted” by the sanctions applicable to the platform or may be locked on the platform and unrecoverable by the Fund. Certain defi platforms require users to pledge or lock Digital Asset on the platform, in some cases for predetermined periods or with limited withdrawal rights. While pledged or locked, these Digital Assets are subject to a variety of risks, including the risk of impermanent loss (e.g., where the value of a pledged or locked Digital Asset declines while on the defi platform and unavailable for withdrawal) or the risk that the assets are lost or stolen by a third-party (which may be the result of an attack by a hacker or malware or the result of the actions of the defi product’s founder or promoter exploiting a previously unknown backdoor in the defi platform’s code to drain all pledged or locked assets to a personal wallet). See “Cybersecurity Risk.” Many Digital Assets custodians do not permit customers to trade on decentralized exchanges directly from custodial accounts. As a result, the Fund may be required to withdraw digital assets held with custodians and “self-custody” those Digital Assets or hold them with a custodian that is not a “qualified custodian” for purposes of the Advisers Act in order to engage with decentralized exchanges. Self-custody, in particular, could expose the Fund to risk of loss as a result of a security breach, loss of private keys, or other circumstances mitigated by the use of a third-party custodian. See “Security Risk,” “Loss of Access Risks” and “—Limited Ability to Recover Losses Due to Multi-Factor Security System.” Many defi products attempt to replicate the functionality or services of traditional financial enterprises that are subject to regulation by the SEC, CFTC, or other U.S. state or federal or non-

U.S. regulatory or self-regulatory bodies and agencies. Those defi activities may be deemed by relevant regulators to be in violation of applicable law, in which case the continued operation of the relevant defi product or platform may be adversely impacted or ceased entirely, which could have a material adverse effect on the Fund (particularly where Fund assets are pledged to the product or platform). Defi is new and rapidly developing industry and it is impossible to anticipate or mitigate all of the risks to which the Fund may be subject to the extent it participates in defi.

**Custodians.** The Funds intend to use custodians (e.g., third-party wallet providers) to hold all or a portion of their Digital Assets, and may have a high concentration of their Digital Assets in one location or with one custodian, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. A Fund is not required to maintain a minimum number of custodians to hold its Digital Assets. A Fund's technology diligence on such custodians may not identify all security vulnerabilities and risks. Certain custodians may not indemnify a Fund against any losses of Digital Assets. Digital Assets held by custodians may be transferred into "cold storage" or "deep storage," which may increase the time required to access those Digital Assets, and may, therefore, delay liquidation of the Digital Assets and adversely affect a Fund's ability to make timely payments of withdrawal proceeds. A Fund may also incur costs related to third-party storage. Any security breach, incurred cost or loss of Digital Assets associated with the use of a custodian may adversely affect an investment in a Fund.

Custodians are expected to have limited liability, impairing the ability of the Fund to recover losses relating to its Digital Assets and any recovery may be limited, even in the event of fraud. Further, custodians will generally not indemnify the Fund against losses of Digital Assets. Many custodians are affiliated with entities that engage in other businesses, including operating a Digital Asset exchange, offering staking or Digital Asset lending products or engaging in proprietary trading (including in Digital Assets). If an affiliate of a custodian experiences distress or insolvency, the custodian (and the Fund's assets held with the custodian) may be materially adversely affected, including as a result of self-dealing between the custodian and its affiliates, a lack of robust record keeping, and/or commingling of the assets of an affiliate and the custodian (including assets held in trust for the Fund and other customers). There is a risk that a bankruptcy court would deem Digital Assets held with a custodian or Digital Asset exchange to be the property of the bankruptcy estate in the event of the custodian's or exchange's bankruptcy. In that case, the Fund could be treated as a general unsecured creditor, rather than having a direct claim to the specific Digital Assets held by the custodian or exchange, and would be entitled to recover amounts only after more senior and secured creditors. Further, the amount of the Fund's claim may be reduced if the value of the Digital Assets held to its account declines, but may not benefit if the value of those Digital Assets increases.

In addition, a custodian may not be liable for any delay in performance of any of its custodial obligations by reason of any cause beyond its reasonable control, including acts of God, war or terrorism, and may not be liable for any system failure or third-party penetration of its systems, unless such system failure or third-party penetration is the result of gross negligence, bad faith or willful misconduct on the part of the custodian.

Furthermore, insurance policies and fidelity bonds held by custodians may be insufficient to cover losses of assets by the Fund and other clients of the custodian. As a result, the recourse of the Fund or the investor to such custodians may be limited. A loss of confidence or breach in the Fund's or

the Fund's custodians' security and technology policies may adversely affect the Fund and the value of the Interests.

Finally, there can be no assurance that the custodians used by the Fund will be deemed "qualified custodians" under Rule 206(4)-2 under the Advisers Act (the so-called "custody rule") or meet any other qualifications under any other regulatory regime. Under the Advisers Act, SEC-registered investment advisers, such as the Adviser, are required to hold their clients' funds and securities with "qualified custodians". Certain Digital Assets may be deemed to be securities and, currently, while many of the companies providing Digital Asset custodial services fall outside of the SEC's definition of "qualified custodian", many long-standing, prominent qualified custodians do not provide custodial services for Digital Assets or otherwise provide such services only with respect to a limited number of actively traded Digital Assets. Accordingly, a Fund may use non-qualified custodians to hold all or a portion of its Digital Assets. If the SEC is not satisfied with this approach, it is possible that a Fund will be required to custody assets in a manner that the Adviser believes to be less secure or to divest such assets that are deemed to be securities.

On February 15, 2023, the SEC published proposed amendments to the custody rule, which would, if adopted in their proposed form, impose a variety of new and potentially onerous requirements on investment advisers registered under the Advisers Act, including the Adviser, and on qualified custodians. Among other obligations, the amended custody rule would require registered investment advisers to hold virtually all assets (including all Digital Assets, even those that are treated as commodities, and collateral posted in connection with any derivatives), rather than only "securities and funds" as required by the current custody rule, with a qualified custodian. The amended rule would also impose new substantial reporting obligations on qualified custodians and mandate certain required contractual provisions in custody agreements. There is a risk that the Fund's custodians may not be able or may choose not to meet the requirements of a qualified custodian, in which case the Fund would need to identify and engage new or additional custodians. Further, there may not be a suitable qualified custodian that will agree to hold certain assets (in particular, certain Digital Assets) that the Fund currently holds or intends to hold in the future. Any staking, or other yield activities, that the Fund may wish to pursue may be limited or prohibited by amendments to the custody rule. Finally, updates to the custody rule may make it impossible or impractical for the Fund to trade Digital Assets on centralized digital asset exchanges. See "Digital Asset Exchanges." In exactly what form any amendments to the custody rule may be adopted is unclear, but it is expected that any amendments will have an adverse, and potentially materially adverse, effect on the Fund and its investments.

**Risks Associated with Access to Non-U.S. Investment Opportunities.** A Fund may pursue investment opportunities outside of the United States. Some non-U.S. issuers of Digital Assets have limited participants in their offerings to non-U.S. investors (including non-U.S. entities advised or managed by an investment adviser or other asset manager that is located, or has officers, directors, partners, managers, other equity holders, employees, agents, or other representatives in the United States). Due to applicable law and any contractual restrictions, a Fund may be prohibited from investing or limited in its ability to invest in certain Digital Assets. The Funds will seek to structure their investments in a manner that maximizes their access to Digital Assets. However, there can be no assurance that a Fund will be able to successfully avoid any limitations on its ability to invest in certain Digital Assets, which could limit the scope of the potential investments by the Fund. For example, to access certain non-U.S. investments exempt from

registration under U.S. federal or state or non-U.S. securities laws, a Fund may be required to make representations intended to confirm its eligibility to participate in those offerings. Similarly, a Fund may be required to make representations related to its connections with the United States in order to access non-U.S. Digital Asset exchanges. To the extent that a Fund determines that it is in its best interest, the Fund may, but is not obligated to, knowingly make representations, warranties or covenants in agreements with non-U.S. exchanges or purchasers or sellers of Digital Assets that are not accurate. For example, a Fund may make representations that are inaccurate if it determines that the Fund is permitted to participate in the relevant transaction under an exemption from the relevant securities laws not contemplated by the applicable agreement or the relevant counterparty; provided, that the Fund may also make inaccurate representations to participate in a transaction or to open an account on a non-U.S. exchange where its participation is not permitted by applicable law and the terms of the agreement. If a Fund is deemed to have breached the terms of an agreement with a non-U.S. counterparty as a result of inaccurate representations, warranties or covenants, the Fund may be subject to liabilities, which may be material, under the relevant agreement (including the obligation to indemnify the counterparty for any losses it incurs as a result) or, in the case of a breach of an agreement with a non-U.S. Digital Assets exchange, may be subject to the complete loss of its Digital Assets on the exchange.

**Hackers.** Hackers or malicious actors may launch attacks to steal, compromise, or secure Digital Assets, such as by attacking Digital Asset network source code, exchange servers, third-party platforms, cold and hot storage locations or software, or Digital Asset transaction history, or by other means. As a Fund increases in size, it may become a more appealing target of hackers, malware, cyber-attacks or other security threats. The Funds will undertake efforts to secure and safeguard the Digital Assets in their custody from theft, loss, damage, destruction, malware, hackers or cyber-attacks, which may add significant operational expenses. There can be no assurance that such security measures will be effective. A Fund may be unable to replace missing Digital Assets or seek reimbursement for any theft of Digital Assets, adversely affecting an investment in the Fund.

**Lack of Transparency.** Given the type and extent of the security measures necessary to adequately secure Digital Assets, the limited partners will not fully know how a Fund stores or secures its Digital Assets or a Fund's complete holding of Digital Assets at any time.

**Reliance on Digital Asset Service Providers.** Due to audit and operational needs, there will be individuals who have information regarding a Fund's security measures. Any of those individuals may purposely or inadvertently leak such information. Further, several companies and/or institutions may provide support to a Fund related to the buying, selling, and storing of Digital Assets. To the extent service providers no longer support a Fund or cannot be replaced, an investment in a Fund may be adversely affected.

**Malicious Actor or Botnet.** Digital Asset networks are subject to control by entities that capture a significant amount of the network's processing power, a significant percentage of the Digital Asset issued and outstanding, or a significant number of developers or intermediaries important for the operation and maintenance of such digital asset network.

Blockchain networks secured by a proof-of-work algorithm depend on the strength of processing power of participants to protect the network. 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 a Digital Asset network, it may be able to alter the blockchain on which the network and most transactions rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions. However, it could not generate new Digital Asset or transactions using such control. The malicious actor could also “double-spend” its own Digital Asset (i.e., spend the same Digital Assets in more than one transaction) and prevent the confirmation of other users’ transactions for so long as it maintained control. To the extent that such malicious actor or botnet did not yield its control of the processing power on the Digital Asset network or the network community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Further, a malicious actor or botnet could create a flood of transactions in order to slow down confirmations of transactions on the relevant Digital Asset network.

Some Digital Asset networks have been subject to malicious activity achieved through control of over 50% of the processing power on the network. To the extent that a Digital Asset ecosystem, including the core developers and the administrators of mining pools, does not act to ensure greater decentralization of mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the network will increase.

A malicious actor may also obtain control over a Digital Asset network through its influence over core or influential developers. This could allow the malicious actor to stymie legitimate network development efforts or attempt to introduce malicious code to the network under the guise of a software improvement proposal by such a developer. To the extent that a Digital Asset ecosystem fails to attract a significant number of users, there will be the possibility that a malicious actor may be able to exert influence over the network in this manner.

**Lack of Sufficient Mining Incentives.** Miners for Digital Assets on “proof-of-work networks may generate revenue from both newly created Digital Assets known as the “block reward” and from fees taken upon verification of transactions. If the aggregate revenue from transaction fees and the block reward is below a miner’s cost, the miner may cease operations. If the award of new units of Digital Assets for solving blocks declines and/or the difficulty of solving blocks increases, and transaction fees voluntarily paid by participants are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. For instance, the reward for solving a new block on the Bitcoin network will be reduced over time. This reduction may result in a reduction in the aggregate hashrate of the Bitcoin network as the incentive for miners decreases. Miners ceasing operations would reduce the collective processing power on the network, which would adversely affect the confirmation process for transactions (i.e., temporarily decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make Digital Asset networks more vulnerable to a malicious actor or botnet obtaining sufficient control to manipulate the blockchain and hinder transactions. Any reduction in confidence in the confirmation process or processing power of a digital asset network may adversely affect an investment in a Fund.

**Risks of Centralization of Digital Asset Networks.** While Digital Asset networks are typically decentralized and do not need to rely on any single person, entity, government or other institution to create, transmit and determine value, in reality a single person or entity may have the ability to

exert centralized authority over a network. For instance, the Ethereum Foundation exerts a strong influence on the Ethereum platform and the Ethereum network. Other networks may be subject to unilateral protocol updates or suspensions of transactions by the founders or a related foundation. Networks may also have a concentrated group of miners or validators, some or all of which may be affiliated with the founders and their affiliates or other related parties. The interests of any such person, entity or group may not be aligned with holders of the related Digital Assets. Where a single person or entity, or small group, exerts an outsized influence on a network or protocol, the related Digital Assets (and investors in those Digital Assets) are subject to risks that actions of that person, entity or group, takes an action or exerts its influence in a manner that results in an action that disadvantages holders of the Digital Asset. In addition, an adverse event impacting that individual, entity or group, such as an insolvency proceeding, could result in a reduction in the price of the related Digital Asset and adversely affect an investment in the Fund.

**Risks of Flawed Source Code.** If the source code or cryptography underlying a Digital Asset proves to be flawed or ineffective, malicious actors may be able to steal a Digital Asset held by others, which could negatively impact the demand for a Digital Asset and therefore adversely impact the price of a Digital Asset. In the past, flaws in the source code for Digital Assets have been discovered, including those that resulted in the theft of users' Digital Assets. Discovery of flaws in, or exploitations of, the source code that allow malicious actors to take or create money in contravention of known network rules have occurred. In addition, the cryptography underlying a Digital Asset could prove to be flawed, ineffective or potentially insufficiently tested. Developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to steal Digital Assets, including those of the Fund, which would adversely affect an investment in the Fund. Even if the Fund did not hold the affected Digital Asset, any reduction in confidence in the source code or cryptography underlying Digital Assets generally could negatively impact the demand for Digital Assets and therefore adversely affect an investment in the Fund.

**Blockchain “Fork” Risk.** The software powering Digital Assets are generally open source, meaning that any user can download the software, modify it and then propose that the users and miners of the Digital Asset adopt the modification. If less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “fork” of the network, with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Digital Asset running in parallel, yet lacking interchangeability.

Furthermore, a hard fork can introduce new security risks. After a hard fork, it may become easier for an individual miner or mining pool's hashing power to exceed 50% of the processing power of the digital asset network, thereby making digital assets that rely on proof of work more susceptible to attack. See “Malicious Actor or Botnet” above. A fork will also introduce new code into the new digital asset's software, which code may not have been subject to extensive testing and may contain new vulnerabilities. See “Risks of Flawed Source Code.”

A fork in the network of a particular Digital Asset could adversely affect an investment in a Fund or the ability of a Fund to operate.

**Limited Ability to Realize “Fork” or “Airdrops”.** If a Fund holds a Digital Asset at the time of a hard fork creating two Digital Assets, it would be expected to hold an equivalent amount of the old and new Digital Assets following the hard fork. Similarly, a Fund may hold a Digital Asset that is subject to an automatically granted “airdrop” for that asset or a different existing or new digital asset. However, a Fund may not be able, or it may not be practical, to secure or realize the economic benefit of the new Digital Asset for various reasons. For instance, a custodian or security service provider may not agree to provide a Fund access to the new Digital Asset. In addition, a Fund may determine that there is no safe or practical way to custody the new Digital Asset, or that trying to do so may pose an unacceptable risk to a Fund’s holdings in the old Digital Asset, or that the costs of taking possession and/or maintaining ownership of the new digital asset exceed the benefits of owning the new Digital Asset. Further, a Fund is unable to foresee the type of digital assets that it may acquire through forks or airdrops and the tax consequences of such acquisitions is unclear.

Additionally, laws, regulation or other factors may prevent a Fund from benefitting from the new Digital Asset even if there is a safe and practical way to custody and secure the new Digital Asset. For example, it may be illegal for a Fund to sell the new asset, or there may not be a suitable market into which a Fund can sell the new Digital Asset (either immediately after the fork or ever).

In addition, a Digital Asset held by a Fund may become subject to an airdrop that is not automatically granted, whereby the promoters of a new or existing Digital Asset announce to holders of another Digital Asset that they will be entitled to claim a certain amount of the promoted Digital Asset for free only upon an affirmative action by such holders signaling that they wish to receive the promoted Digital Asset. For the same reasons as described above with respect to hard forks, a Fund may or may not choose, or be able, to participate in an airdrop, or may or may not be able to realize the economic benefits of holding the new Digital Asset. The timing of any such occurrence is uncertain and a Fund’s participation would be subject to the Adviser’s discretion. Any inability to recognize the economic benefit of a hard fork or an airdrop could adversely impact an investment in a Fund.

As a general matter, a Fund will assess airdrops or hard forks on a case-by-case basis. There is no guarantee that a Fund will be able to sell a new Digital Asset at a favorable price, including because of a lack of liquidity for the new Digital Asset.

**Digital Asset Lending Risk.** The Fund may in the future earn additional income from lending its Digital Assets. In a digital asset lending transaction, the Fund would lend certain of its Digital Assets to a borrower (which might be a custodian, another third party or a decentralized finance platform), and the Fund may be compensated for such loan. Upon termination of a Digital Asset lending transaction, the borrower is obligated to return the borrowed Digital Assets to the Fund. This obligation of the borrower to return the loaned Digital Assets gives the Fund credit exposure to the borrower, and there is no limit on the amount of the Fund’s Digital Assets that may be lent at any one time. To the extent the Fund loans a portion of its Digital Assets, the Fund will generally receive collateral from the borrower in the form of Digital Assets. As with other extensions of credit, if the borrower fails to perform under the terms of the Digital Asset lending transaction or fails financially, there are risks of delay and costs involved in recovery of loaned Digital Assets (and, potentially, risk of the loss of rights in the loaned Digital Assets) or in foreclosure on the Fund’s collateral. If the borrower fails to perform under the terms of the Digital Asset lending



transaction or fails financially, the Fund may be unable to foreclose on and liquidate the Fund's collateral in a timely manner and/or the collateral may not be sufficient to cover any losses suffered by the Fund. Furthermore, where a borrower becomes insolvent while in possession of Digital Assets lent to it by the Fund, the Fund's rights to a return of those assets may be unclear under applicable bankruptcy laws, and in some cases the Fund may not receive a return of any of its Digital Assets. The Fund may engage an agent to arrange loans of Digital Assets by the Fund (a "lending agent"), and that lending agent may be paid a fee by the Fund or may otherwise share in the profits from the Fund's Digital Asset lending transactions. This fee or share of profits may represent a material portion of the income generated by the Fund by entering into Digital Asset lending transactions. The market for Digital Asset lending transactions is new and evolving. As such, the market for Digital Asset lending transactions may be riskier than the more traditional securities lending market, and may expose the Fund to unforeseen risks. The Fund may also sell its Digital Assets in Digital Asset reverse repurchase transactions to the extent that a market develops for such transactions, or may enter into other transactions with similar effect to Digital Asset lending transactions or reverse repurchase transactions.

Further, the SEC may determine that some or all Digital Asset lending arrangements constitute securities under U.S. law. Were the SEC to formally or informally make a statement to that effect, opportunities for the Fund to lend or borrow Digital Assets may become limited or non-existent.

**Risk of Distortion from Stablecoins.** Although investments in stablecoins are not currently part of the Fund's investment strategy, the Fund may be exposed to risks that stablecoins pose for the Digital Asset market. Stablecoins are Digital Assets designed to have a stable value over time as compared to typically volatile Digital Assets and are typically marketed as being pegged to a fiat currency, such as USD. Although the prices of stablecoins are intended to be stable, in many cases their prices fluctuate, sometimes significantly. This volatility has in the past impacted the price of other Digital Assets. The majority of transactions in the Digital Asset ecosystem are pairs of stablecoins with other tokens. Because stablecoins are systemically important to the Digital Asset ecosystem volatility in stablecoin prices could foreseeably have an outsized impact on the market which is difficult to predict. In addition, some Digital Asset exchanges, including those with significant global volumes, are reliant upon stablecoins because they cannot obtain, or choose not to obtain, banking relationships, and therefore cannot receive or send dollars or other fiat currencies to or from customers.

Stablecoins can, in general, be redeemed for their intended pegged value. For instance, a stablecoin that is "pegged" at one U.S. dollar will generally be redeemable for one U.S. dollar or one dollar's worth of a different Digital Asset. Stablecoins that can be redeemed for fiat currency are typically centralized, issued by a corporate entity, and backed by reserves comprised of cash or cash equivalents. Reserves are generally equal to, or in excess of, the total outstanding redeemable value of all issued stablecoins. Where reserves fall below the outstanding value of all issued stablecoins, or there is uncertainty about the existence or value of any reserves, the price of the stablecoin may fluctuate and/or "depeg," which would have a materially adverse effect on the stablecoin and potentially the larger Digital Assets markets. Other stablecoins are often referred to as algorithmic stablecoins. Algorithmic stablecoins operate on a variety of models. For instance, for some algorithmic stablecoins, if the price of the stablecoin moves above or below its pegged value by a specified amount, either additional stablecoins will be automatically issued or a portion of issued stablecoins will be automatically "burned" (e.g., destroyed), in each in an attempt to bring the price

of the stablecoin back to its peg. Stablecoins would be added or subtracted from the wallets of holders as of the date of the automatic adjustment. Other algorithmic stablecoins (are issued alongside another digital asset native to the same blockchain (e.g, its paired staking token). New issuances and redemptions of these algorithmic stablecoins can only be effected for the paired staking token; a redemption of the stablecoin will be satisfied in the paired staking token. Where there are large redemptions of an algorithmic stablecoin, correspondingly large amounts of the paired staking token will be issued, which may dilute the staking token's value and require even more of that token to be issued to satisfy future redemptions. This pattern of large redemptions and parabolic dilution has occurred in the past and resulted in catastrophic losses for holders of the relevant stablecoin, the paired staking token and the larger Digital Assets markets. The Fund may invest in algorithmic stablecoins, but even if the Fund does not, it may suffer material losses as a result of market distortions caused by the failure of an algorithmic stablecoin.

Although there are many different versions of stablecoins in existence, most are currently subject to limited regulation and are therefore subject to higher risk of theft, fraud, or operational problems relative to cash and cash equivalents. It is difficult to predict what direction the U.S. government may take in legislating stablecoins; however, recent regulatory scrutiny has been placed specifically on stablecoins that suggests possible legislation which would require stablecoin issuers to be insured depository institutions and to comply with activities restrictions that limit affiliation with commercial entities. Further possible legislation may require custodial wallet providers who hold stablecoins to be subject to appropriate federal oversight, to meet appropriate risk-management standards, or other standards such as limits on affiliation with commercial entities or on use of users' transaction data. In addition, legislation may proscribe algorithmic stablecoins or restrict them in a manner that makes them impractical. Any legislation enacted to address the risks associated with stablecoins could affect the growth and usability of stablecoins, which could decrease the value of Digital Assets generally.

Stablecoins are a relatively new phenomenon, and it is impossible to know all of the risks that they could pose to participants in the digital asset markets. Volatility in stablecoins, operational issues with stablecoins (for example, technical issues that prevent settlement), concerns about the sufficiency of any reserves that support stablecoins, or regulatory concerns about stablecoin issuers or intermediaries, such as exchanges, that support stablecoins, could impact individuals' willingness to trade on exchanges that rely on stablecoins and could impact the price of digital assets, and in turn, an investment in the Fund.

**Decentralized Autonomous Organization Risk.** A Fund may hold tokens and participate in the governance of decentralized autonomous organizations ("DAOs"). DAOs are blockchain-governed organizations that are collectively-controlled and operated by token holders, and are typically formed for a specific purpose. The purposes for which DAOs may be formed include, among other things, to pool and disburse funds to non-profit organizations, to pool assets for the purposes of further investing those amounts in other digital assets or non-digital assets, or to operate a defi platform. See "Risks of Decentralized Finance." Certain day-to-day actions of a DAO, such as those necessary to facilitate trading on a Digital Asset exchange that is controlled by a DAO, are typically automatically initiated, facilitated, and/or executed by interconnected smart contracts, while other actions require a vote of the holders of the DAO's governance tokens. Transactions effected by smart contracts may not always operate as intended, or as expected. See "Developing Smart Contract Industry." Further, unintended transactions effected by or with the

DAO's smart contracts may not be reversible. See "Irrevocability of Digital Asset Transactions." Actions requiring a vote of the DAO's governance tokens are subject to a risk that a single holder or group of holders may propose and approve actions that are not in the DAO's interest or not in the interests of certain of the other holders of its governance tokens. This risk increases as fewer governance tokens are voted, for instance, where a large number of governance tokens are held by custodians or other third-party wallet providers that do not permit owners to vote those tokens or by one or more large investors that elect not to participate in DAO governance.

In addition, regulators and courts may adopt the theory that a DAO is an unincorporated association or general partnership and each of its token holders or a subset of token holders (e.g., those participate in its governance by voting their tokens) are subject to unlimited general liability for the actions of the DAO, its agents and, potentially, other token holders purporting to act on behalf of the DAO. As such, participation in the governance of a DAO (or any other decentralized network in which token holders have governance rights) could expose a token holder to fines, penalties, and other liabilities, including civil suits. There is also the risk that defi platforms operated by DAOs are hacked, and that DAO token holders are held to be liable for such losses. See "Risks of Decentralized Finance." In many cases DAOs implement legal structures (such as foundations or limited liability companies) to facilitate some or all of the activities of the DAO, often referred to as "legal wrappers," with the intent that token holders will enjoy limited liability as a result. The effectiveness of legal wrappers has not been tested to any material degree in U.S. courts and there is no guarantee that a legal wrapper, where utilized, will shield token holders from general liability for the actions of the DAO, its agents, and other token holders purporting to act on behalf of the DAO or from the DAO being treated as an unincorporated association or general partnership. The Adviser and its affiliates intend to participate in the governance of DAOs and may be exposed to these risks, which may be heightened to the extent that the Fund votes its tokens or otherwise participates in the governance of the DAO. The Fund may also invest in DAOs through intermediate special purpose vehicles to attempt to further limit its liability, but there is no guarantee that legal wrappers or these vehicles will accomplish their goals or that the Fund will not be deemed to be responsible for the acts of the DAO, its agents, and, potentially, other token holders purporting to act on behalf of the DAO and may be subject to fines, penalties, and other liabilities, including civil suits.

**Complexity of Digital Asset Audits.** Audits for investment funds holding Digital Assets are unlike audits for other types of investment funds. Special procedures must be taken to assess whether investments and transactions are properly accounted for and valued because independent confirmation of digital asset ownership (e.g., ownership of a balance on a digital asset exchange or in a self-custodied wallet) differs dramatically from traditional confirmation with a securities broker or bank account. The Adviser and each Fund will need to have satisfactory processes in place in order for the Fund's auditor to obtain the Fund's transaction history and properly prepare audited financials. Any breakdown in such processes may result in delays or other impediments of an audit. In addition, the complexity of Digital Assets generally may lead to difficulties in the preparation of the Fund's audited financials.

**Legal Claims.** To the extent that the creation, use or circulation of, or investment in, Digital Assets, a Digital Asset network generally violates any foreign or domestic statute or regulation, or government prohibition, or government, quasi-government, or private-individuals assert intellectual property claims against Digital Asset network source code or related mathematical

algorithms, a Fund could be adversely affected. To the extent that any individual, institution, government or other authority asserts a legal claim, including a claim of ownership or wrongful possession, over the Digital Assets in the custody of a Fund, or a blockchain company in which a Fund invests, a Fund could be adversely affected. Regardless of its merit, such legal action may adversely affect an investment in a Fund. Further, to the extent that a blockchain technology company in which a Fund invests engages in activity that is not legally recognized (*e.g.*, smart contract is not recognized as a valid contract under applicable contract law), a Fund could be adversely affected.

**Risks of Uninsured Losses.** The Fund does not intend to insure its Digital Assets. If an uninsured loss occurs or a loss exceeds policy limits, a Fund could lose a portion or all of its assets.

**Unexpected Risks of Digital Assets.** The technology enabling digital assets has been developed recently, relative to other many other investment instruments, and, as a result, there is little data on their long-term investment potential. Additionally, due to the rapidly evolving nature of the digital asset market, including the development of new digital assets and advancements in the underlying technology, it is not possible to predict which digital assets the Fund may own in the future or even to fully describe those potential digital assets. New digital assets or changes to existing digital assets may expose investors in the Fund to additional risks which are impossible to predict as of the date hereof. This uncertainty makes an investment in the Fund very risky.

**Technology and Operational Failures.** Companies and business processes built on blockchain technology may be vulnerable to technology and operational failures. Any given blockchain technology or project's consensus mechanism, cryptography, or user interaction points may fail for any number of reasons (theoretical, economic, technical, etc.), individually or in concert with other projects sharing similar characteristics or code. Accordingly, entities relying on such processes may need a robust business continuity plan and governance framework to mitigate risks. To the extent that any blockchain technology company in which a Fund invests is subject to a technological or operational failure, a Fund and any investment in a Fund could be adversely affected.

## **Equity Investments in Blockchain (and Blockchain-Related) Companies.**

### *Risk of Early Stage Companies*

Investments in companies at an early stage of development, including those involved with blockchain technology, involve a high degree of business and financial risk. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses.

### *Small Companies*

A Fund's investments may be made in unregistered securities of small companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies.

### *Distressed Companies*

A Fund may invest in companies that are financially leveraged or troubled or potentially troubled and may be or have recently been involved in restructurings, bankruptcy, reorganization or liquidation. Securities of such companies are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. As a result, a Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard which is a prerequisite to a Fund's investment in any security. Securities in which a Fund may invest may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of whose debt securities may be secured by substantially all of the issuer's assets. Moreover, a Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness. While leverage presents opportunities for increasing a portfolio company's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the portfolio company's net assets will decrease. Accordingly, any event which adversely affects the value of a portfolio company would be magnified to the extent a portfolio company is leveraged.

### *Provision of Managerial Assistance; Control Positions*

A Fund, the Adviser and/or their respective affiliates may serve on, or designate members to serve on, the supervisory boards or boards of directors of portfolio companies. Serving on such bodies and/or designation of supervisory board members and of directors and other measures contemplated exposes the Adviser and/or its respective affiliates and, ultimately, a Fund to potential liability and exposes the assets of a Fund to claims by an investment, the portfolio company, its security holders and its creditors.

### *Minority Investments*

A Fund may make minority investments in entities where a Fund may not be able to protect its investments or to control or influence effectively the business or affairs of such entities. A Fund may be adversely affected by actions taken by the majority holder(s) of the investments in which it invests.

**Systems and Operational Risks Generally.** A Fund depends on the Adviser to develop and implement appropriate systems for a Fund's activities. A Fund relies heavily and on a daily basis on data processing systems to make transactions and to evaluate certain Investments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of a Fund's activities. In addition, a Fund relies on information systems to store sensitive

information about a Fund, the Adviser, their affiliates and the limited partners. Certain of a Fund's and the Adviser's activities will be dependent upon systems operated by third parties, including a Fund's administrator, counterparties and other service providers, and the Adviser may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Adviser, a Fund's administrator, counterparties, exchanges, third-party wallet providers and other parties could result in mistakes made in the making of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in a Fund's operations may cause a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on a Fund and the limited partners' investments therein.

**Cybersecurity Risk.** As part of its business, the Adviser processes, stores and transmits large amounts of often interconnected electronic information, including information relating to the transactions of a Fund and personally identifiable information of the limited partners. Similarly, service providers of the Adviser, a Fund, especially a Fund's administrator, may process, store and transmit such information. The Adviser has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, including investor information, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. The Adviser and the Funds' service providers may be subject to ransomware or other attacks that could cause a substantial business disruption or loss of availability of data that could prevent the Funds and Adviser from executing its investment strategy or accessing an account, which could lead to financial losses. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Adviser may be susceptible to compromise, leading to a breach of the Adviser's network. The Adviser's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Adviser to the limited partners may also be susceptible to compromise. Breach of the Adviser's information systems may cause information relating to the transactions of a Fund and personally identifiable information of the limited partners to be lost or improperly accessed, used or disclosed or to transfer funds to unauthorized third parties.

The service providers to the Adviser or a Fund are subject to the same electronic information security threats as the Adviser. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of a Fund and personally identifiable information of the limited partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Adviser's or a Fund's proprietary information may cause the Adviser or a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention, increased insurance premiums or reputational damage. Any of the foregoing events could have a material adverse effect on a Fund and the limited partners' investments therein.

**Risks of Artificial Intelligence (“AI”).** The Adviser’s ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit the Adviser’s ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While the Adviser may restrict certain uses of third-party and open source AI tools, such as ChatGPT, the Adviser’s employees and consultants and a Fund’s portfolio companies may use these tools, which poses additional risks relating to the protection of the Adviser’s and such portfolio companies’ proprietary data, including the potential exposure of the Adviser’s or such portfolio companies’ confidential information to unauthorized recipients and the misuse of the Adviser’s or third-party intellectual property, which could adversely affect the Adviser, a Fund or its portfolio companies. Use of AI tools may result in allegations or claims against the Adviser, a Fund or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in the Adviser’s and its employees’ and consultants’ decision-making, portfolio management or other business activities, which could have a negative impact on the Adviser or on the performance of a Fund and its portfolio companies. Such AI tools could also be used against the Adviser, a Fund or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI’s use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of the Adviser, a Fund or its portfolio companies to utilize AI in the manner it has to-date, and may have an adverse impact on the ability of the Adviser, a Fund or its portfolio companies to continue to operate as intended.

**Valuation of Assets and Liabilities.** A Fund’s assets and liabilities are valued in accordance with the Adviser’s Valuation Policy. The valuation of any asset or liability involves inherent uncertainty. The value of an Investment determined in accordance with the Valuation Policy may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the applicable market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of a Fund if the judgments of a Fund’s general partner regarding the appropriate valuation should prove to be incorrect.

Additionally, third-party pricing information may at times not be available regarding certain of a Fund’s assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser gives rise to conflicts of interest, valuations (including, for instance, determination of when an investment should be written down or written off) impact the Adviser’s track record and the performance allocation in certain Funds is calculated based, in part, on these valuations, and such valuations affect the amount and timing of performance fees and calculation of Advisory Fees.

**Competition; Availability of Investments.** The “blockchain” market in which a Fund will invest is becoming extremely competitive. As a result, there can be no assurance that the Adviser will be able to identify or successfully pursue certain investment opportunities.

**Volatility Risk.** A Fund’s investment program will involve the purchase and sale of volatile Investments and/or investments in a volatile market. Fluctuations or prolonged changes in the volatility of such Investments and/or markets can adversely affect the value of investments held by a Fund.

**Co-Investments with Third Parties.** A Fund may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of a Fund or is in a position to take (or block) action in a manner contrary to a Fund’s investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

**General Economic and Market Conditions.** The success of a Fund’s activities may be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Fund’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations), although the success of a Fund’s blockchain-focused investment strategy may be less correlated to changes in general economic and market conditions. These factors may affect the level and volatility of the prices and the liquidity of a Fund’s investments. Volatility or illiquidity could impair a Fund’s profitability or result in losses. A Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

**Recent Financial Market Fluctuations.** Various sectors of the U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for the Funds and may affect the Funds’ ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds’ investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may



well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more a Fund's portfolio companies.

**Russian Invasion of Ukraine.** In February 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions) and subsequently various countries (including the United States) issued sanctions against Russia. Given the ongoing and evolving nature of the conflict between the two nations and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

**Israel-Hamas War.** On October 7, 2023, the Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack. The foregoing attack sparked an armed conflict, which is currently ongoing, between Hamas and other Palestinian militant groups and Israel, known as the 2023 Israel-Hamas war. Although since the establishment of the State of Israel a state of hostility has existed in varying degrees of intensity between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other Middle Eastern and North African countries have normalized relations with Israel, the 2023 Israel-Hamas war has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. A further expansion of the hostilities between Israel and Palestine could have significant international ramifications. The 2023 Israel-Hamas war could potentially have a significant adverse impact and result in significant losses to the Funds, including those described above in "Russian Invasion of Ukraine<sup>112</sup>". The ultimate impact of the Israel-Hamas war and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country, and the duration and severity of those effects is impossible to predict.

**Recent Regulatory Developments for Private Funds and their Advisers.** In recent years, the SEC has proposed and adopted, and continues to adopt, various changes to the rules relating to private funds and their advisers. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the “Private Funds Rules”) under the Advisers Act specifically related to advisers of private funds.

The Private Funds Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of the Adviser and its affiliates, a Fund and/or its investments. As a result of the new rules, the Adviser will under certain circumstances be restricted or refrain from providing information regarding a Fund in response to investor requests. The Adviser will be required to circulate to all investors the material terms of any preferential treatment agreed in connection with investments in a Fund (i.e., all side letter terms), without regard to any most favored nation provision. This may ultimately impact the Adviser’s decisions with respect to agreeing to certain preferential rights. Further, many provisions of the Private Funds Rules require the Adviser to make a variety of subjective determinations as to whether and how such rules apply to a Fund and the Adviser’s related obligations. The Adviser will face conflicts of interest in making such determinations, including for example with respect to whether certain fees and expenses may be charged to a Fund, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. The Adviser’s and a Fund’s compliance burdens and associated costs including, without limitation, insurance expenses, are also expected to increase. The Adviser also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Funds Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact a Fund’s reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Funds Rules and other legal challenges to the Private Funds Rules may be forthcoming. Regardless of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

**Inflation.** Inflation is a sustained rise in overall price levels. Moderate inflation is associated with economic growth, while high inflation can signal an overheated economy. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money (i.e., as inflation increases, the values of a Fund’s assets can decline). Inflation may pose a risk to investors because it can reduce savings and investment returns. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. Furthermore, wages, prices of inputs and borrowing costs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Central banks, such as the U.S. Federal Reserve, generally attempt to control inflation by regulating the pace of economic activity. They typically attempt to affect economic activity by raising and lowering short-term interest rates. At times, governments may attempt to manage inflation through fiscal policy, such as by raising taxes or

reducing spending, thereby reducing economic activity; conversely, governments can attempt to combat deflation with tax cuts and increased spending designed to stimulate economic activity. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and a Fund's investments may not keep pace with inflation, which may result in losses to the Fund and its investors. Further, certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on a Fund's returns. If inflation continues to increase, the real value of a Fund's investments could decline and the interest payments on a Fund's borrowings, if any, may increase.

**Custody and Banking Risks.** The Funds will maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, their portfolio companies, the general partner and/or the Adviser transact may inhibit the ability of the Funds or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a banking institution where the Fund or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds and their affected portfolio companies may not recover such excess, uninsured amounts and, instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio companies. One or more investors or a Fund's general partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund's general partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

**Governmental Interventions.** Extreme volatility and illiquidity in markets has in the past led to extensive governmental interventions in equity, credit and currency markets, and it is possible that similar interventions may occur in the market(s) for cryptocurrency. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on a Fund's strategy.

**Potential Interest Rate Increases.** The United States has experienced a sustained period of historically low interest rate levels. In recent years, however, short-term and long-term interest

rates have risen. The uncertainty of the U.S. and global economy, changes in U.S. government policy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. Sustained future interest rate volatility may cause the value of the fixed income securities held by a Fund to decrease, negatively impacting the performance of a Fund.

**Tax Reform Risks.** Tax law is subject to change and various historic and current legislative proposals could affect the Funds and the investors. Under current law, capital gains in respect of a general partner's right to Carried Interest will be subject to a three-year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to capital gains that Fund investors are allocated is one year. This Carried Interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors. For example, the holding period requirement may incentivize the general partner to cause a Fund to hold an investment for longer than three years in order for the general partner to obtain a preferential tax rate on Carried Interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in the general partner. A general partner and the Adviser may take these potential adverse consequences into account in their management and operation of the Funds and in addressing these adverse consequences, the interests of the general partner and the Adviser, on the one hand, may diverge from the interests of the investors, on the other hand.

**Environmental, Social and Governance Matters.** While environmental, social or governance ("ESG") is only one of the many factors the Adviser may consider in making an investment, there is no guarantee that the Adviser will successfully implement and make investments in companies that create positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Adviser engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Adviser will depend on the Adviser's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Adviser's view of certain ESG-related and other factors, and carries the risk that the Adviser may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by the Adviser.

Consideration of ESG factors may affect the Adviser's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Adviser's performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor. In evaluating a company, the Adviser is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by

region, industry and issue and are evolving accordingly, and a company's ESG-related practices or the Adviser's assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Adviser's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Adviser's ESG policies could become subject to additional regulation in the future, and the Adviser cannot guarantee that its current approach will meet future regulatory requirements.

**Climate Change.** The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

**Sanctions.** A Fund's operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, a Fund may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom from time to time), and the Restrictive Measures adopted by the European Union. Some sanctions that may apply to a Fund prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or "safe harbor"

for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions.

Sanctions may negatively impact a Fund's ability to effectively implement its investment strategy and have a material adverse impact on a Fund's investment program. Sanctions may adversely affect a Fund in various ways, including by preventing or inhibiting a Fund, or the Adviser on a Fund's behalf, from making certain investments, forcing a Fund to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of companies in which a Fund has invested. In addition, if a Fund or the Adviser, were to violate or be deemed in violation of any such sanction, it could face significant legal and monetary penalties. Depending on the scope and duration of a particular sanctions program, compliance by a Fund may result in a material adverse effect on a Fund and the limited partners' investments therein.

**Assumption of Catastrophe Risks.** A Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which a Fund invests (or has a material negative impact on the operations of the Adviser or the service providers), the risks of loss can be substantial and could have a material adverse effect on a Fund and the limited partners' investments therein.

#### **Item 9. Disciplinary Information**

Item 9 is not applicable to the Adviser.

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

##### **Related General Partners**

Various limited liabilities companies serve as general partners of the Funds, and are related persons of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

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

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers, principals, employees and other personnel of the Adviser, as well as officers, principals, employees and other personnel of its affiliates and certain independent contractors (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase

investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics and the Funds' Organizational Documents. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: [cco@standardcryptovc.com](mailto:cco@standardcryptovc.com)

### **Participation or Interest in Client Transactions**

The Adviser and certain employees and affiliates of the Adviser may invest in the Funds, either through the general partners, as direct investors in the Funds or otherwise. A Fund or its general partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

### **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

#### *Resolution of Conflicts*

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 considers various factors, including the interests of the applicable Funds 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) The Adviser will consider the appropriateness of an investment from the viewpoint of a Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) Many of the Funds have established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) 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;
- (5) The Adviser has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- (6) 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.

While the Adviser endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that the Adviser will identify or resolve all conflicts in a manner that is favorable to the Funds and the Funds' investors are not entitled to receive notice or disclosure of the actual occurrence of conflicts or have any right to consent to them as they arise.

#### *Allocation of Investment Opportunities Among Clients*

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities (including follow-on investments) among various clients and other persons, which may include, but are not limited to, the following:

- The Funds (including those established for the purpose of participating in a “continuation transaction”);
- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the co-investors or investors in such co-investment vehicles which may include Adviser Investors and/or individuals and entities that are not investors in any Funds (“Third Parties”));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and



- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser makes allocation determinations consistent with the Funds’ Organizational Documents and in accordance with its written policies and procedures.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements are generally set forth in the Fund’s Organizational Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds and/or other parties are eligible to participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure, which are typically reflected in such Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund. Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Adviser identifies the Funds that are eligible to participate in a particular investment, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund’s investment objectives and investment focus;
- Transaction sourcing (and with respect to an investment opportunity originated by a third party, the relationship of a particular Fund to or with such third party);
- Each Fund’s liquidity and reserves (including whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity);

- Each Fund’s diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;
- Any “ramp-up” period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund’s projected future capacity for investment (including whether a Fund is able to invest all capital required to consummate a particular investment opportunity) and anticipated co-investment (if any);
- The size, liquidity and duration of the investment;
- Each Fund’s targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund’s portfolio and each Fund’s investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics) and the scope of a Fund’s investment mandate including whether mandates are identified as primary or secondary, and whether the mandate is limited or otherwise restricted to specific types of investments/assets;
- The suitability as a follow-on investment for a current portfolio company of a Fund or to upsize an existing investment;
- Timing expected to be necessary to execute an investment;
- The use of leverage in the proposed capital structure;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- The centrality of an investment to a Fund’s strategy;
- Asset class restrictions;
- The seniority of an investment and other capital structuring criteria;
- Industry and other allocation targets;

- Minimum and maximum investment size requirements;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors or Third Parties;
- Whether an investment opportunity would enable a Fund to qualify for certain programmatic benefits or discounts that are not readily available to other Funds including, but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions;
- Avoiding allocations that could result in *de minimis* or odd lot investments;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. The Adviser makes allocation determinations based solely on the Adviser's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

From time to time certain investment opportunities involve interests in portfolio companies of one or more Funds that are part of a restructuring or similar transaction. In such instances, investors in the Funds involved in such a transaction are typically given priority rights to roll over their existing interests or otherwise reinvest in such investment opportunities (for instance, through a newly formed "continuation fund"). As a result, other Funds may not be allocated all or any portion of such an investment opportunity, even if such opportunity falls within a Fund's investment objectives or strategy.

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the Adviser will not allocate investment opportunities among the Funds based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. While the Adviser determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In addition, Adviser Personnel invest indirectly in and may be permitted to invest directly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund. For example, additional conflicts could arise to the extent the Adviser and/or its affiliates, or Adviser Personnel, hold an outsized economic position in any of the participating Funds. In such cases, the Adviser could be incentivized to manage such arrangements in a manner that would enhance the returns of the Funds in which the Adviser and/or its related parties hold a substantial portion of the equity, even to the detriment of other Funds.

The Adviser and/or a Fund may invest in the securities offerings of a portfolio held by another Fund (including through initial public offerings), which would result in the Adviser and/or a Fund receiving an allocation of portfolio company securities. In addition to conflicts of interest arising from the allocation of such securities, this arrangement also leads to similar conflicts described below under “*Conflicts Related to Purchases and Sales.*”

A conflict also arises in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. In making such an allocation determination, the Adviser will consider some one or more of the factors set forth above and will make a determination in its good faith discretion.

#### *Allocation of Follow-on Investments and Associated Conflicts*

The Adviser’s general policy is to consider follow-on investment opportunities in a particular portfolio company on a priority basis for the Fund(s) that has an existing investment in such portfolio company, subject to any specific provisions related to the allocation of follow-on investment opportunities described in the Organizational Documents of any particular Fund(s). If Funds of different vintages (i.e., Funds formed at different times) have an existing investment in a portfolio company, follow-on investment opportunities for that company generally will be first considered for the Funds that made the most recent investment in such portfolio company; provided, that, subject to any consents or other conditions expressly required under the Organizational Documents of the applicable Funds, the Adviser may allocate such opportunities differently if it determines, in its sole discretion, that such different allocation is appropriate under the circumstances (including, without limitation, if one of the Funds lacks sufficient unreserved capital for such follow-on investment or lacks sufficient liquidity in order to make such follow-on investment or is overly concentrated in securities of such company). To the extent that there is additional capacity in a follow-on investment opportunity after it is considered for the Fund(s) with an existing investment in the portfolio company, the Adviser may offer such opportunity to other Funds, or co-investors.

Follow-on investment opportunities may present conflicts of interest for the Adviser, including determination of the terms of the new round of financing. In some cases, a Fund (including a co-investment vehicle) participating in a follow-on investment may be allocated certain investment amounts by nature of that Fund’s pro rata ownership in the applicable portfolio company to the extent the Fund has preemptive rights, rights of first refusal or similar rights in connection with its

investment in such portfolio company. In addition, a Fund (including a co-investment vehicle) may participate in recapitalization transactions involving portfolio companies in which the Fund has already invested or will invest. Conflicts of interest arise in connection with the foregoing scenarios, including in regard to determinations of whether existing investors (which may include a Fund) are disposing of their investment in a portfolio company at a price that is higher or lower than market value and whether new investors (which may include another Fund, including a co-investment vehicle) are paying too much or too little for securities of a portfolio company or purchasing portfolio company securities with terms that are more or less favorable than prevailing market terms.

Furthermore, a conflict of interest also arises because a Fund that participates in a follow-on investment in a portfolio company held by another Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund and from operational or other information about such portfolio company acquired from the original Fund's ownership of interests in the portfolio company. In such circumstances, such benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment. An investment by one or more other Funds in any such portfolio company may dilute the original Fund's interest in such portfolio company.

Additionally, the Adviser at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Fund (or another Fund) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Funds and/or the Adviser at the expense of the current Fund(s) investing in such follow-on investment.

#### *Allocation of Co-Investment Opportunities and Secondary Transactions*

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' Organizational Documents or, to the extent not addressed in such Funds' Organizational Documents, in accordance with the following paragraphs. There may be circumstances where the Adviser determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

The amount of Other Fees generated as a result of co-investments in connection with any portfolio company will often not reduce the Advisory Fees paid by the Funds and will therefore be retained by the Adviser. The allocation of co-investment opportunities will, in many or all cases, also involve a benefit to the Adviser in addition to the receipt of Other Fees, including the receipt of Advisory Fees or allocation of Carried Interest from the co-investor, and/or capital commitments to Funds (including successor Funds). As a result of the foregoing, the Adviser could be

incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement or economic terms.

A Fund's general partner and its affiliates are permitted to make capital commitments and/or contributions to co-investment opportunities and co-investment vehicles investing alongside the Funds. Such amounts so committed or contributed are permitted, at the option of the applicable Fund's general partner, to be deemed part of the amount the Adviser is otherwise required to contribute to the Funds. Any such amounts would be in full or partial satisfaction of amounts that would otherwise be invested in the Fund in respect of such investment, which could reduce the amount of such co-investment available to the limited partners. In addition, any such amounts invested by a Fund's general partner or its affiliates in co-investments alongside the Fund and deemed part of the amount the Adviser is otherwise required to contribute will result in the general partner and/or its affiliates contributing less to the Fund than the Adviser's capital commitment to such Fund would otherwise imply.

In addition, co-investment vehicles may be formed to make investments alongside a Fund. In such cases, the co-investment vehicle will have a priority right to make co-investments in some or all of the investments made by such Fund. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to the investors.

Subject to any Investment Allocation Requirements or other specific agreements with an investor, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, investors may be offered a smaller amount of co-investment opportunities than originally requested and an investor may be offered fewer co-investment opportunities than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund, and (iv) certain persons other than investors in the Funds (e.g., other Funds managed by the Adviser, consultants, joint venture partners, Adviser Investors, persons associated with a portfolio company and other Third Parties, including persons who the Adviser believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to the Adviser, a Fund, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

However, the Adviser from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds and other potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and the Adviser's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;

- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to the Adviser and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The ability of a potential co-investment party to hold investments for longer periods of time (or indefinitely);
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);
- Whether the potential co-investment party will make commitments to invest in other Funds (including concurrently with the applicable co-investment) as well as commitments to future funds raised by the Adviser;
- Whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Funds (i.e., a stapled co-investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds and/or the Adviser and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or the Adviser.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and



attendant circumstances. The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether the Adviser and/or the applicable general partners are entitled, under arrangements made with certain potential co-investment parties, to additional Advisory Fees and/or Carried Interest based on the availability of co-investment opportunities offered to such parties). The Adviser expects that these factors will lead the Adviser to favor some potential co-investors over others with respect to the frequency with which the Adviser offers them co-investment opportunities. The Adviser also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial, and the Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

The Adviser or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund which will under certain circumstances have more favorable rights and/or terms than the Funds and/or the co-investors. Any such vehicle will be established at the Adviser or its affiliates' sole discretion and the Adviser and its affiliates have no obligation to offer a similar opportunity to any other investor.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in

a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Fund (including any commitment into a future fund);
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

#### *Conflicts Related to Purchases and Sales*

Funds from time to time invest in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Conflicts may arise in connection with such investments.

Investment opportunities are from time to time appropriate for more than one Fund at the same, different or overlapping levels of a portfolio company's capital structure, including in cryptocurrency tokens issued by such portfolio company. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and the Adviser may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In the event one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund may be obligated to fund more than its share of such amount. In such event, one Fund will gain greater

exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each Fund may be negatively impacted as a result of the foregoing. Investments by more than one Fund of the Adviser in a portfolio company also raise the risk of using assets of a Fund of the Adviser to support positions taken by other Funds of the Adviser, or that a Fund may remain passive in a situation in which it is entitled to vote.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one Fund of the Adviser (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if the Adviser determines it is advisable for a Fund to exit an investment at the same time as another Fund of the Adviser or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. In addition, investors may receive different consideration (for instance, investors in one Fund may receive cash whereas investors in another Fund may be provided the opportunity to receive distributions in-kind) which may impact the realized return ultimately received by each Fund.

Finally, in certain circumstances, if more than one Fund is participating in an investment, one Fund may bear more than its pro rata share of expenses relating to such investment if the other Fund or Funds does not have the resources to bear such expenses (including, for instance, as a result of insufficient reserves and/or the inability to call capital to cover such expenses).

In such circumstances described above, the Adviser could take steps to reduce the potential conflicts of interest between the various Funds, including causing a Fund to take certain actions that, in the absence of such conflict, it would not take (e.g., a Fund may divest itself of an asset it otherwise may have retained, the Adviser may establish information barriers, certain matters may be referred to an advisory committee or a third-party, or a Fund may only invest in securities that seeks to align the interests with other investing Funds). Any such steps could have the effect of benefiting one Fund or the Adviser at the expense of another Fund.

The application of a Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

From time to time the Adviser may, in its discretion, enter into transactions with investors in one or more Funds, prospective investors in a Fund, co-investors, Adviser Investors or Third Parties to dispose of, or "sell down," all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will comply with the requirements set forth in the Organizational Documents of the applicable Fund(s), or to the extent not addressed in the Organizational Documents of the applicable Fund(s), the Adviser

may consider some or all of the factors listed above under “*Allocation of Co-Investment Opportunities and Secondary Transactions*.” The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser, and the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means the Adviser may not obtain the highest price for the transaction. Furthermore, subject to the Organizational Documents, the Adviser may charge (or may decide not to charge) a purchasing party interest costs for the time period between the closing of the applicable Fund’s investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable purchasing party. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s).

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity and (b) full guarantee arrangements where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Fund (including co-investment vehicles through which Adviser Personnel participate) are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Funds’ Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or guarantees and, in any event, are not obligated to pay their proportionate share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Fund to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Fund would be held responsible for the entire equity purchase price or other applicable obligations.

The Funds, from time to time, co-invest with Third Parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks and conflicts that would not otherwise be present in investments where a Third Party is not involved. Such risks include, among other things, the possibility that the Third Party may have differing economic or business goals than those of the Fund, or that the Third Party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such Third-Party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a Third Party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

#### *Cross-Transactions*

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest

because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, one of the Adviser's managing directors will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's-length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Depending on the transaction structure, these transactions may disproportionately benefit the purchasing, selling, or merging Fund (or the Adviser as a result of its interests in a particular Fund), and one Fund may incur expenses or forego gains that would have been obtained had it not entered into such transaction. For example, the Adviser may be incentivized to support a less successful portfolio company of an older Fund by causing a newer Fund with a longer remaining term and investment period to purchase a part or all of such portfolio company in order to provide the Adviser additional time to potentially manage it to a successful exit and increase the likelihood of the Adviser or an affiliate receiving Carried Interest. Conversely, the Adviser may be incentivized to sell an attractive investment in an older Fund to a newer Fund to increase the amount of fees received by the Adviser or an affiliate with respect to such an investment.

Determining the valuation or other terms of such transactions may also create a conflict of interest due to the Adviser's consideration of the particular terms (including the fee terms) of the Funds and the Adviser's interest in such Funds. Such acquisition or merger may result in the acquiring entity purchasing a Fund's portfolio company at a valuation that is: (a) not the highest price than could have been obtained in the market had there been a robust sales process with multiple third party bidders or (b) higher than the value of the company resulting in an overvaluation.

Under certain circumstances, the Adviser may wish to reduce the investment of one or more Funds in an investment and increase the investment of other Fund(s) in such investment, and may, therefore, effect such transactions by directing the transfer of such investment between such Funds or through any other transaction structure (for example, distribution of portfolio company interests from one Fund and contribution of such interests to another Fund). Any costs and expenses associated with any such transaction will be borne by such Funds in accordance with such Funds' Organizational Documents and to the extent not addressed in the applicable Organizational Documents, on an allocation that the Adviser deems in good faith to be fair and reasonable.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Continuation Transactions*

From time to time the Adviser may determine that it is in the best interest of a Fund holding the investment (the “selling Fund”) to transact with another Fund (the “purchasing Fund”) in order to provide the selling Fund’s investors with an option to either: (1) receive cash proceeds from the selling Fund’s sale or transfer of such portfolio company and/or (2) “roll” (i.e., retain) their interest in such portfolio company. These types of transactions are often referred to as “continuation transactions.” In connection with such continuation transactions, Adviser may require the investors in the purchasing Fund to make an additional investment in a Fund or commit to invest a future Fund. In addition to those conflicts of interest described above under “Cross Transactions”, conflicts of interest arise in these continuation transactions because (i) the Adviser and its affiliates are charging investors in the purchasing Fund an Advisory Fee and Carried Interest (which economics are likely to be different than the selling Fund) and the transactions have the potential to result in the receipt of additional Advisory Fees and Carried Interest by the Adviser and its affiliates; (iii) the Adviser and Adviser Personnel are expected to have the ability to make material investments in the purchasing Fund, which may cause them to take actions that benefits the purchasing Fund; (iv) the Adviser is actively involved in negotiating the terms of the sale on behalf of the selling Fund, on the one hand, and the purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction); and/or (v) of the requirement for an investor in the purchasing Fund to make an investment in a Fund or a commitment to invest in a future Fund, which (a) incentivizes the Adviser to favor such investors because of the potential for the Adviser and its affiliates to earn additional Advisory Fee with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Fund. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and the Adviser might determine to allocate bankers’ fees and certain other fees and expenses solely to selling investors and not to the “rolling investors” or “new investors” in the purchasing Fund or vice versa.

To the extent not addressed in a Fund’s Organizational Documents, the Adviser will address conflicts of interest that arise in connection with continuation transactions as set forth above under “Cross Transactions.”

## *Management of the Funds*

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. The Adviser may give advice or take actions with respect to the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Adviser Personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including funds raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these Adviser Personnel. Adviser Personnel have an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better-performing Funds.

The Adviser will, from time to time, consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

In addition, the Adviser will, from time to time, consider an investment opportunity for one Fund and then subsequently determine to have another Fund make the investment. In making any such reallocation determination, the Adviser will consider a variety of factors, including those set forth above under “*Allocation of Investment Opportunities Among Clients*”. Conflicts of interest arise in connection with such a reallocation, including those set forth above under “*Allocation of Investment Opportunities Among Clients*”. In addition, a conflict of interest exists because the investing Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund for which the investment was initially considered. In certain cases, such reallocation determination can be expected to occur after a significant period of time has passed and the Fund to which the investment was originally allocated has incurred substantial out-of-pocket expenses in connection with evaluating, investigating and diligencing such investment. The investing Fund typically will not be required to reimburse the original Fund for such expenses. In the event that the investing Fund does reimburse the original Fund for out-of-pocket expenses incurred in connection with evaluating, investigating and diligencing such investment, the investing Fund typically will not pay interest on any such amounts reimbursed to the original Fund. Alternatively, if the investing Fund does pay interest on such amounts to the initial Fund, there can be no assurance any such interest will be paid over at the same time as such

reimbursement or that the amount of such interest will be sufficient to compensate the original Fund for the time since it deployed capital to pay such expenses. The Adviser experiences conflicts of interest in connection with causing one Fund to incur expenses that may ultimately benefit another Fund (or fund advised by its affiliate), and similarly experiences conflicts of interest in determining the need for, calculating the amount of, and effecting any such reimbursement, as such arrangements may involve the discharge of a liability that one Fund (or fund of the Adviser's affiliate) owes to another Fund, and in all such cases these determinations, calculations, and terms are not arm's length arrangements and there can be no assurance that the allocation of such expenses is in the best interest of the Funds. There can be no assurance that the amounts reimbursed to the original Fund will be commensurate with the benefit received by the investing Fund.

In connection with evaluating a potential investment that is not consummated a Fund will incur Dead Deal Costs. Such Dead Deal Costs are, from time to time, rolled forward and capitalized into the following subsequent consummated transaction. In such cases, another Fund and new co-investors may participate with the original Fund in the subsequent consummated transaction. As a result, the other Fund (and/or new co-investors) that were not participating in the unconsummated transaction may be responsible for bearing a portion of Dead Deal Costs incurred by the original Fund.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data." This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies or identify specific investment or business opportunities. The Adviser also intends to utilize such data for purposes of identifying new investments opportunities for the Funds. Information from a portfolio company owned by a Fund may enable the Adviser to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Adviser and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, the Adviser is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. The Adviser may also share data from a portfolio company of one Fund with a portfolio entity of another Fund, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Funds). The Adviser has in the past entered into and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. The Adviser has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was



obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Adviser is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of the Adviser and other Funds. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by the Adviser or its personnel will not be subject to the Advisory Fee offset provisions or otherwise shared with a Fund or its investors. The Adviser has in the past utilized and is likely in the future to utilize such information to benefit the Adviser, its Affiliates and/or certain Funds.

From time to time, the Adviser may come into possession of material non-public information concerning securities in which a Fund has, directly or indirectly, invested, or proposes to invest, or regarding an existing or potential counterparty to a transaction with a Fund, and the possession of such information will under certain circumstances limit the investment activities of such Fund. For example, a Fund may be restricted from investing in securities that present an attractive opportunity or disposing of securities that it would prefer to sell in the event that the Adviser has material non-public information about such securities. The Code of Ethics includes policies and procedures designed to prohibit the misuse of material non-public information. The Adviser is generally prohibited from trading for Funds or themselves, or recommending trading in securities of an issuer, while aware of material non-public information about any security or the issuer of such security, and from disclosing such information to any person not entitled to receive it.

The Adviser and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow the Adviser, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. The Adviser believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Adviser's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and the Adviser. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by the Adviser and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, the Adviser and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to the Adviser, without directly compensating or otherwise benefiting the Funds. As a result, the Adviser may have an incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits the Adviser and/or investments held by other Funds.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount.

#### *Conflicts Relating to the General Partner and the Adviser*

The Adviser may compete against, or engage in business with (i.e., through co-investments and joint ventures) another investment adviser with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. Such relationships may influence decisions that the Adviser makes with respect to the Funds.

Adviser Personnel and other related persons of the Adviser and its affiliates have made and may make capital investments in or alongside certain Funds. These investments are often at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

By reason of their responsibilities in connection with other activities of the Adviser, certain Adviser Personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

In addition, Funds from time to time invest in securities of companies in which Adviser Personnel and other related persons of the Adviser and its affiliates have previously invested for their own accounts. Furthermore, Adviser Personnel and other related persons of the Advisers and its affiliates from time to time invest for their own accounts in securities of companies in which the Funds have previously invested. While the significant interests of the Adviser Personnel generally align the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

The Adviser, its affiliates, and partners, officers, principals and employees of the Adviser and its affiliates may buy or sell securities, cryptocurrency, digital assets or other instruments that the Adviser has recommended to Funds, subject to the terms of the Code of Ethics and the Funds' Organizational Documents. Adviser Personnel may also buy securities or digital assets in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, the investing Adviser personnel will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity.

In support of investments in blockchain networks in the form of Digital Assets, the Adviser will at times utilize Digital Asset holdings to actively participate in network functions (e.g., staking, voting, node operation) as a form of post-investment value-add, in an effort to shape the future direction of such networks and to improve returns. For certain of these network function activities, including but not limited to node operation, the rewards received from these activities will be allocated to the Adviser and not the Funds, in the sole discretion of the Adviser. In making these allocation decisions, the Adviser will consider factors including but not limited to tax implications to investors in the Funds.

In addition, Adviser Personnel may also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds and/or which may invest in similar industries and sectors as the Funds (including investments for purposes of sourcing future investment opportunities). Such Adviser Personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Funds, and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. In the event Adviser Personnel make an investment with the intent to source future investments for the Funds, there is a greater likelihood that the Funds will make investments in the same portfolio companies in which Adviser Personnel hold an interest as described above. Such personnel may be incentivized to cause a Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics, and investors will not benefit from any such investments.

Adviser Personnel have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. The fees for services provided by such service providers may or may not be at the same rate charged by other third-party service providers and the Adviser is not required to select service providers who may have lower rates (or to engage in any benchmarking of such fees). In most such circumstances, the Funds' Organizational Documents will not preclude Funds from undertaking any of these investment activities or transactions.

From time to time, Adviser Personnel may invest in funds or other entities managed by limited partners of a Fund, which could incentivize such Adviser Personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment

opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

The general partner of a Fund may, in its discretion, under certain circumstances elect to increase its commitment to such Fund prior to the final close of the Fund without the consent of the limited partners. Any increased commitment by the general partner will dilute the interests of the limited partners. Although the general partner will pay interest in respect of prior capital contributions in the same manner as is paid by the limited partners, the general partner has information about the Fund's investments, including regarding their valuation and performance expectations, which the limited partners do not have and that information may inform its decision whether to increase its capital commitment. Therefore, the general partner has a conflict of interest in deciding to increase its subscription because a decision to increase its subscription may result in the general partner receiving value that would have otherwise benefitted limited partners.

### *Fee Structure*

Because the Advisory Fee is payable through liquidation of a Fund and there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to defer the realization of investments and/or deploy capital when the Adviser would not otherwise have done so. In addition, the valuation of partially realized or unrealized investments from time to time may be zero or close to zero. Because the Advisory Fee, at certain times during the life of the Funds, payable to the Adviser is based on capital invested by the Funds relative to such investments, in such instances the Advisory Fee paid with respect to such investment will be higher than if the Advisory Fee payable were based on the fair value of such investment.

The Adviser has discretion in determining whether and when an investment has been permanently written down, which impacts the calculation of Advisory Fees. As provided in the Funds' Organizational Documents, following the investment period of a Fund, the Advisory Fees with respect to such Fund are typically calculated based on invested capital, which is reduced by any investments that are permanently written down. As a result, a conflict of interests exists because the Adviser has an incentive to refrain from or delay permanently writing down investments in order to ensure the Advisory Fee base does not decrease, which would result in higher Advisory Fees ultimately paid to the Adviser. In general, the Adviser evaluates several criteria in determining whether to permanently write down an investment, including, without limitation, how long the investment has been held, length of time the investment has been marked down, materiality or markdown, anticipated holding period of the investment, volatility in valuation, impact of market conditions on valuation, other valuation methodologies showing increased valuations, and anticipated recovery path for the investment. The Adviser may change these criteria in its sole discretion from time to time and the Adviser has flexibility in determining the applicability and weight of these factors and has ultimate discretion in determining whether an investment should be permanently written down. As a result, the Adviser is permitted to determine that even extremely distressed investments should not be permanently written down. There can be no assurance that an investment, in hindsight, should have been permanently written down or should have been permanently written down at an earlier date.

Additionally, as discussed above in Item 6, the general partners of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such general partners are affiliates of the Adviser. The existence of the general partners' Carried Interest creates an incentive for the general partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by the Adviser or its affiliates in a Fund, the clawback obligation of the general partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of the Adviser's personnel.

Pursuant to the Organizational Documents, the general partner may be required to return excess amounts of Carried Interest as a "clawback." This clawback obligation may create an incentive for the general partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the general partner.

In addition, the general partner is incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing Advisory Fees in the interim and, potentially, a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the general partner.

The Organizational Documents of certain Funds permit the general partner of each such Fund to cause such Fund to distribute such general partner's share of securities resulting from an investment disposition by such Fund to such general partner or its affiliates (including Adviser Personnel) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the general partners and the limited partners of the applicable Fund. The general partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Fund retained the securities, and the general partner will receive more value from the securities than it would have had its Carried Interest been paid in cash. In the event the general partner, or its affiliates, receive such a distribution, the general partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the general partner shall determine. The ability of the general partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the general partner or affiliate, as an adviser to the Fund, and the Fund. These conflicts may be exacerbated due to the enhanced knowledge and information the general partner has relative to the limited partners with respect to such securities.

Pursuant to the Organizational Documents, the general partner may elect to receive its Carried Interest in the form of an in-kind distribution of securities of a portfolio company, including for purposes of permitting one or more general partner personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen by such personnel). Any tax efficiencies to such general partner personnel associated with this form of charitable giving

may have the effect of reinforcing or enhancing the general partner's incentives otherwise resulting from the existence of its Carried Interest and therefore, the general partner may have a conflict of interest in making decisions on behalf of the Funds (including, for instance, the timing of disposition of investments).

### *Fund Level Borrowing*

Subject to the Funds' Organizational Documents, the Funds are permitted to borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities, to pay management fees, organizational expenses, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. The Funds may also utilize subscription facilities to benefit co-investment parties and joint venture partners. For example, a Fund will borrow to fund a co-investment party's and joint venture party's pro rata share of an investment or expense related to an investment. While the Adviser expects that all parties participating in an investment (including the general partner and any co-investment party and/or joint venture partner will bear its pro rata share of the interests expenses but not necessarily origination and other costs allocable to the extension of credit, the Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

In addition, credit facilities for certain Funds may be available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds. In such instances the Funds would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the general partner and any co-investor, including employee co-investment vehicles) benefit from the credit risk taken by the Fund's guarantee.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the Fund's general partner or will result in the Fund's general partner receiving Carried Interest earlier than it would otherwise have by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The general partner therefore has a conflict of interest in deciding whether to borrow funds because the general partner may receive disproportionate benefits from such borrowings. Furthermore, the use of Fund-level borrowing for investment purposes are treated as investment capital for purposes of calculating the relevant Fund's Advisory

Fee. Therefore, investors pay Advisory Fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Fund will generally be secured by capital commitments made by the limited partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of Unrelated Business Taxable Income.

The use of Fund-level borrowings will differ based on available credit facility capacity and contractual terms applicable to each Fund and each such credit facility. Therefore, as the subscription credit facilities utilized by the Funds may have different terms, while the Funds may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant Organizational Documents, the investment return can, in certain circumstances, differ among the Funds as a result.

### *Providers of Operations Support*

The Adviser, the Funds and/or the portfolio companies will from time to time retain other companies and individuals ("Operations Support Providers"), which may be employees and former employees of the Adviser, affiliates of the Adviser, employees of such affiliates, portfolio companies of the Funds, third party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals), "operating partners" or "senior advisors," venture partners, entrepreneurs-in-residence, executives-in-residence, contractors and other similar professionals.

The Operations Support Providers are engaged to provide operational support, due diligence, research, specialized operations and consulting services and similar or related services to the Funds, or in connection with, one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies and from time to time also provide "front office" functions with respect to a Fund, such as sourcing or other investment-related functions (such services collectively, "Operations Support Services"). These services may be high-level insight or extensive day-to-day roles, and may include support to the general partner on behalf of the Funds, or portfolio companies regarding, among other things, the company's management (including serving in management positions or participating in determining corporate strategy), the company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data

intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters. It is expected that the services provided by the Operations Support Providers will expand over time.

The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies. These arrangements may be memorialized in a formal written agreement or may be informal, and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. In certain cases, Operations Support Providers have attributes of Adviser Personnel (for instance, they may have dedicated office space, receive Adviser administrative support services, participate in general meetings or events for Adviser personnel, have Adviser e-mail address or business cards), even though they are not employees, affiliates or personnel of the Adviser. Operations Support Providers may be offered the ability (or may have a preferred right) to co-invest alongside Funds or may be offered the opportunity directly by the portfolio company to invest in the company, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the Organizational Documents of the Funds, fees, compensation, expenses and any attributable overhead associated with Operations Support Services (collectively, “Operations Expenses”) are paid and/or reimbursed by the Adviser, portfolio companies and/or the Funds. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is an affiliate or employee of the Adviser or its affiliates) may be determined at the discretion of the general partner taking into account the particular Operations Support Services, may include reimbursement of an allocable portion of an affiliated Operations Support Provider’s compensation (including, without limitation, salary, bonus, payroll taxes and benefits (including vacation time and sick leave)) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation (e.g., Carried Interest) to the Operations Support Provider, and may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by the general partner, in its sole discretion, but will generally be based on whether third parties typically provide such services to investment advisers or companies. Operations Expenses may also be incurred in respect of portfolio companies prior to the closing of the investment. In the event an Operations Support Provider is paid an annual retainer, the value provided to the relevant Fund and/or portfolio company by such Operations Support Provider may vary year to year and there can be no assurance that the annual retainer paid will commensurate with the value provided by the Operations Support Provider. Operations Support Providers will, from time to time, be offered



the ability to invest in a Fund or in a particular investment as a co-investor on preferred economic terms (including a no-fee/no-carry basis).

To the extent services are provided for the benefit of a Fund, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by the Fund and, indirectly, the investors in such Fund. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, such Operations Expenses will be allocated among the Funds as determined by the general partner or Adviser, consistent with the Organizational Documents of the applicable Funds and as described above (see “*Allocation of Expenses*”). To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Funds or a portfolio company, such Operations Expenses will be retained by such Operations Support Provider and will not reduce the Advisory Fee or any other fees otherwise payable to the Adviser or its affiliates and will not benefit the Fund or its investors, even if the Operations Expenses paid by a Fund or a portfolio company have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser. The determination of whether an Operations Expense is paid by a portfolio company, a Fund, or the Adviser will be made by the Adviser in its sole discretion. The general partner’s determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Fund and its investors. Over time, certain existing and former employees of the Adviser (including senior personnel) may transition to an Operations Support Provider role, which will shift the burden of compensating such persons from the Adviser to the applicable Fund and/or its portfolio companies, and any fees received by such persons will not reduce the Advisory Fee. It may be difficult to distinguish services provided by the Operations Support Providers from the investment advisory services provided to the Funds by the Adviser and its affiliates.

#### *Diverse Membership*

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the nature and timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

#### *Investment of Digital Assets Developed by Portfolio Companies*

The Adviser from time to time causes a Fund to purchase digital assets developed or offered by portfolio companies of one Fund or another Fund. The Adviser may be incentivized to purchase (and not divest) digital assets developed or offered by portfolio companies of one Fund, which

raises a conflict of interest in that such arrangement may be more advantageous for the applicable portfolio company than to another Fund that is investing in the digital assets.

#### *Investments in Digital Assets / Cryptocurrency by Adviser Personnel*

Subject to the terms of the Code of Ethics and any restrictions and exceptions set forth in a Fund's Organizational Documents, Adviser Personnel generally are not prohibited from personally making investments in digital assets and cryptocurrency. In addition, as described herein, a general partner (and, in turn, the Principals in their capacity as members of a general partner) and the Principals (in their capacity as limited partners of the Funds) may receive and retain withdrawal proceeds from the Funds in kind. A general partner and the Principals are particularly incentivized to receive proceeds in-kind of assets that they expect to increase in value, and in cases where such increase occurs, if the other limited partners received cash distributions instead of in-kind distributions, the other limited partners will be denied the benefits of that increase had the Fund retained the securities and a general partner and the Principals will receive more value from the assets than they would have had the proceeds been paid in cash.

Adviser Personnel have, in some cases, prior investments purchased before joining the Adviser, in digital assets and cryptocurrency which are also positions held by the Funds.

Principals and employees of the Adviser serving as directors may make decisions for a portfolio company that negatively impacts returns received by a Fund investing in the portfolio company. In addition, the Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Funds. These activities may adversely affect the prices and availability of other investments held by or potentially considered for purchase by the Funds.

#### *Business with and among Portfolio Companies and Investors and Prospective Investors*

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds or, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser will generally have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Current and former founders and prospective founders, officers and executives and other affiliates of portfolio companies have and likely will invest in a Fund. While the Adviser believes this aligns portfolio company management teams and other affiliates with the best interests of the Fund, the Adviser may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor or other affiliate of the portfolio company that is an investor in a Fund such that they continue to invest in the Funds, among other reasons.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Adviser may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company; withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price; increase its own prices, purchase assets from, or sell assets to, another portfolio company; commence litigation against another portfolio company; or prevent one portfolio company from commencing litigation against another portfolio company.

From time to time a Fund's portfolio company will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of such Fund or other Funds. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the Advisory Fee. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or the Adviser or the consent of any advisory committee.

The Adviser and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In addition, the Adviser may cause a Fund to transact with a portfolio company or the Fund or another Fund, including purchasing an asset from, or selling an asset to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Fund differ from those of the counterparty portfolio company.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds managed by the Adviser that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that are not subject to the Advisory Fee offset provisions described herein. For example, the Adviser may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and

other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing, and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies. The Adviser and its affiliates have in the past and will under certain circumstances hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can control all such conflicts of interest, and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time a Fund could hold an investment in a different layer of the capital structure than an investor or another party with which the Adviser has a material relationship, in which case the Adviser could have an incentive to cause the Fund or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

### *Service Providers*

Services required by a Fund (including some services historically provided by the Adviser or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Adviser or its affiliates. This can create a conflict of interest because the Adviser and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, trading, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Funds, and, accordingly, certain costs may be incurred by a Fund for a third-party service provider that are not incurred for comparable services by other Funds. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future, and the Adviser has no obligation to inform such Funds or investors of such a change. Such services may also supplement or be performed alongside services performed by the Adviser. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

If a service provider provides services to a Fund on the property of the Adviser, such Fund may also be responsible for any overhead, rent or other fees, costs and expenses charged by the Adviser in connection with an on-site arrangement.

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers or their affiliates are, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund, enhanced information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, the Adviser will have a conflict of interest in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates, will provide other services that are beneficial to the Adviser and/or will provide financial sponsorship of events held by the Adviser (such as transaction closing dinners or outings, or informational summits or training events for the Adviser or portfolio company personnel). The Adviser generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

The Adviser generally may in its discretion, contract directly with, or recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of the Adviser or an affiliate (including but not limited to a portfolio company of a Fund). When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, former Adviser employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to the Adviser, the Funds and/or portfolio companies. While employed by the Adviser, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by the Adviser unless a Fund's Organizational Documents permit certain allocations of internal expenses to the Fund. If a former Adviser employee becomes an employee or consultant of a third party that also provides services to a Fund, such former Adviser employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Adviser employee working on the Fund will be borne entirely by the Fund and no such amounts will reduce the management fee paid or the carried interest distributed by such Fund on the basis that such person used to be a former Adviser employee.

Additionally, Adviser Personnel, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to the Adviser, the Funds and/or the portfolio companies, or affiliates of such service providers, also provide goods or services to or have business, personal, financial or other relationships with the Adviser, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which the Adviser and/or the Funds have an investment, and payments by a Fund and/or such portfolio companies may indirectly benefit the Adviser and/or such Fund.

The Funds may, from time to time in the future pay a fee to an investment bank with respect to a particular transaction which fee may, in whole or in part, reflect a payment to the investment bank for finding deals for the Adviser and the Funds in the future. As a result, the Fund paying the fee to the investment bank may not receive the benefit of the future deals sourced by the investment bank and the other Fund to which a deal is allocated will not be required to reimburse the paying Fund for such fee.

Investors may be introduced to the Adviser, or may be brought in a Fund, by a third-party consultant from which the Adviser or a related person purchases products and to which the Adviser or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Adviser, its personnel, the Funds and the portfolio companies of the Funds will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, its personnel, the Funds, and/or the portfolio companies. As a result, the Adviser or its personnel may receive a more favorable rate on services provided to it by such a common service provider than the rates payable by the Funds and/or the portfolio company, or may receive a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser and its personnel, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. Neither the Funds nor investors in the Funds will receive the benefit of any such favorable rate or discount provided to the Adviser, its personnel or its affiliates, and the Advisory Fee paid by any Fund will not be reduced in connection with such favorable rate or discount.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies.

In certain circumstances where the Adviser commits or has committed to seek “market” or “arms-length” rates or terms, the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. The Adviser reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, the Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable, or relate specifically to the assets, services, geographies, or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, the Adviser reserves the right to rely on approximations or estimates of time for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. To the extent the Funds engage in a long-term or recurring contract with an Adviser affiliated service provider, the Adviser may not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time.

The Adviser or its affiliates engage certain service providers (including law firms) on behalf of the Funds and personnel of such service provider may in the future be seconded to the Adviser or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. The Adviser is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide under certain circumstances services in respect of multiple matters, including in respect of matters related to the Adviser, its affiliates and/or portfolio companies and in any such circumstance, the benefits or costs of any such personnel will be allocated in the Adviser’s discretion taking into consideration the usage of such personnel. The Advisory Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because the Adviser or its affiliates have an incentive to select one service provider over another on the basis that the Adviser or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Adviser or its affiliates.

The Adviser and the Funds will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances, separate representation may be required.

### *Selection of Blockchain Service Providers and Investment in Blockchain Counterparties and Service Providers*

The Adviser may be subject to conflicts relating to its selection of blockchain intermediaries, exchanges and counterparties on behalf of the Funds. Portfolio transactions for the Funds will be allocated to intermediaries, exchanges and counterparties on the basis of numerous factors and not necessarily lowest pricing. Intermediaries, exchanges and counterparties may provide other services that are beneficial to the Adviser or one Fund, but not necessarily beneficial to another Fund. Limited partners will have no right to request which intermediaries, exchanges and counterparties the Funds transact with or invest in, and should not expect the Funds to accommodate any such requests.

The Adviser may be incentivized to cause the Funds to invest in businesses that establish third party wallets and exchanges, including business that focus on storage, security and custody of digital assets, particularly where the Funds use such services. In such cases, businesses in which one Fund invests may receive compensation from another Fund when effecting digital asset transactions. In addition, to the extent that a Fund invests in digital exchanges (through their tokens), the Adviser may have an interest in causing another Fund to make equity investments in such companies.

### *Positions with Portfolio Companies*

Adviser Personnel serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Adviser Personnel's fiduciary duties as a director conflicts with those of the Fund, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Fund. Additionally, in the course of any such board service, Adviser Personnel can be expected to receive information with respect to the Funds' investments, potential investments, cryptocurrency or digital assets. In such circumstances, the Funds may be prohibited by law, policy or contract, for a period of time, from (i) investing in certain assets or categories of assets, or pursuing certain investment opportunities, (ii) selling an investment and (iii) taking any larger position in an existing investment. Furthermore, an Adviser Personnel serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such Adviser Personnel may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. Adviser Personnel serving as directors may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent an Adviser Personnel serves as a director on the board of more than one portfolio company, such Adviser Personnel's fiduciaries duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject the Adviser, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify the Adviser and Adviser Personnel from such claims. In addition, Adviser Personnel and Operations Support Providers may leave the employment of the Adviser, its affiliates or the Operations Support Provider and become an officer or employee of a portfolio company, which will shift the burden of compensating such persons



from the Adviser to the applicable portfolio companies, and any fees received by such persons as an employee of the portfolio company will not reduce the Advisory Fee.

From time to time Adviser Personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such person's employment with the Adviser. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

In addition, the Adviser may continue to receive other fees from a portfolio company after a Fund has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on the board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Adviser to take actions with respect to the portfolio company that the Adviser considers to be in the best interests of the Funds.

Certain personnel of the Adviser or its affiliates may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies will pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse the Adviser or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. The Adviser may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by the Adviser or its affiliates to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the Advisory Fee paid or Carried Interest distributed by the Fund to the Adviser will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by the Adviser and reimbursed by a portfolio company) will not reduce the Advisory Fee otherwise payable to the Adviser or any Carried Interest otherwise payable to the Adviser or its affiliates. All or a portion of any such compensation and incentives will be borne by the Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be categorized as an Operations Support Provider, an employee of the Adviser, a former employee of the Adviser or a seconded employee may not be clear. In such cases, the

Adviser will make a determination in good faith based on an evaluation of the facts and circumstances.

#### *Side Letter Agreements; Advisory Committee Rights*

The Adviser often enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, modification of representations, indemnification and/or liability and other obligations, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, and to the extent permitted under applicable law, the Adviser (or applicable general partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund. Also, investors will have no recourse against a Fund, the applicable Fund's general partner, the Adviser or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund.

Many of the Funds have established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee because those designating limited partners will, for instance, have greater information rights. The advisory committee may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with the Adviser, Adviser Personnel and its affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Fund's advisory committee may also be a member of another Fund's advisory committee. In such instances, a conflict of interest exists because the Funds on which such overlapping advisory committee members may have conflicting interests and such advisory committee members may be asked to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

#### *Other Potential Conflicts*

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the

operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points,” rebates, or credit in loyalty/status programs to the Adviser and/or its personnel. Such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for an Adviser personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“Holding Company”) would be created that would acquire and manage the companies in the platform. The investments in the Holding Company may be managed together (including, for example, the use of common service providers, combined and/or otherwise sold together as part of a single transaction or series of related transactions). The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former employees of the Adviser, or current or former senior advisors or consultants to the Adviser and its affiliates. All of the Holding Company’s costs and expenses, initial or ongoing and for any purpose, including compensation for its personnel, (which compensation may include, among other things, salary, benefits, retainers and the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets), overhead expenses (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and all expenses related to sourcing would

be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser. In addition, as the Adviser earns Advisory Fees and Carried Interest from the Fund, the Adviser will benefit from the assets, income and gains of Holding Company.

In addition, from time to time, the Adviser recruits a management team to pursue a new “platform” opportunity expected to lead to the formation of a future portfolio company, or to undertake a “build-up strategy” to acquire and develop assets in a particular sector or involving a particular strategy. In other instances, a new platform could be formed to recruit an existing or newly formed management team to build such platform through acquisitions and organic growth. In certain circumstances, such platform employees may include former employees of the Adviser, or current or former senior advisors or consultants to the Adviser and its affiliates. The structure of each platform and the engagement of personnel will vary, including whether a management team’s services are exclusive to the platform and whether the members of the management team are employed directly by the platform or indirectly through a separate management company established to manage such platform. Platform structures may change during the investments’ hold period, for instance, in connection with restructurings or dispositions. The management team of a platform investment may provide services with respect to other platform investments of more than one Fund, or provide the same or similar services for unaffiliated parties. The services provided by the platform management team could be similar to, and in some cases overlap with, the services provided by the Adviser to the Funds. The Fund will bear the expenses of the management team or portfolio company, as the case may be, including any sourcing costs and management costs, overhead expenses, management or other fees, employee compensation (including cash compensation and profits-interest), diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the applicable Fund as Fund expenses or indirectly as the Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser.

The Adviser has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or Adviser Personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including Adviser Personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Adviser may, from time to time, require, cause or invite the Funds and/or a portfolio company to make contributions to charitable initiatives, or other non-profit organizations that the Adviser believes could, directly or indirectly, enhance the value of the Funds' investments, assist in completing an acquisition of a portfolio company or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Funds or their portfolio company. Such contributions could be designed to benefit employees of a portfolio company, the community in which a portfolio company operates or a charitable cause essential to, or consistent with, the business purpose of a portfolio company. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of the Adviser, portfolio company management teams, advisors, service providers, vendors, joint venture partners, and/or other persons or organizations associated with the Adviser, the Funds or the portfolio companies. These relationships could influence the Adviser's decision whether to require, cause or invite the Funds or the portfolio companies to make charitable contributions. Further, from time to time, such charitable contributions by the Funds or the portfolio companies could supplement or replace charitable contributions that the Adviser would have otherwise made. Also, in certain instances, the Adviser may, from time to time, select a service provider or other counterparty to the Funds or their investments based, in part, on the charitable initiatives of such person where the Adviser believes such charitable initiatives could, directly or indirectly, enhance the value of the Funds' investments or otherwise be beneficial to the portfolio companies.

The Organizational Documents of certain Funds permit each such Fund's general partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. In addition, the general partner may elect to withhold certain information to such limited partners for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information. Additionally, due in part to the fact that potential investors in a Fund (including purchasers of a limited partner's interests in a secondary transaction) or a co-investment opportunity (see above) may ask different questions and request different information, the Adviser in certain circumstances provides certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

## **Item 12. Brokerage Practices**

### **Selection of Brokers and Dealers**

For each of the Funds, the Adviser has, subject to the direction of such Fund's general partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or

dealer. Best execution is not limited solely to the consideration of the best available commission rate.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's investment team takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's appointed trader(s) in consultation with the Adviser's Chief Compliance Officer, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

### **Aggregation of Trades**

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. The Adviser often employs this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally and to the extent possible aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

## **Item 13. Review of Accounts**

### **Oversight and Monitoring**

The Adviser's investment and operations personnel monitor and review Fund accounts on a periodic basis to ensure consistency with each Fund's investment objective and strategy as set forth in its Organizational Documents. The team generally includes Managing Directors and other investment professionals of the Adviser.

## **Reporting**

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 90 days after each fiscal quarter end. The Adviser and the applicable general partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

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

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

The Adviser may engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Advisory Fees received by the Adviser are generally reduced by the amount of such fees paid by the Fund.

### **Item 15. Custody**

Item 15 is not applicable to the Adviser.

### **Item 16. Investment Discretion**

Investment advice is provided directly to the Funds, subject to the direction and control of the general partner of each Fund and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

### **Item 17. Voting Client Securities**

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter. Specifically, for Fund investments in certain digital assets, the Adviser will generally abstain from voting on various protocols since the costs associated with voting such votes outweigh the benefits to the relevant Funds.

Funds generally cannot direct the Adviser's Vote.

The investment professionals responsible for monitoring a particular portfolio company must provide the CCO with a copy of any written correspondence soliciting a Vote (e.g., a proxy or solicitation of stockholder consent). For routine matters that do not pose a conflict of interest, such as the re-approval of a portfolio company's auditor or the non-contested, annual election of directors, the investment professional assigned to monitor the portfolio company or any officer of the Adviser may vote on the company's behalf any security held by the Funds, provided that the CCO shall vote (at the direction of the relevant investment professionals) any proxies or other consent solicitations that are to be voted electronically and shall retain documentation of such votes.

For matters that are not routine and/or may pose a conflict of interest, the investment professional assigned to monitor the portfolio company will prepare a written summary of the matter under consideration, any actual or apparent conflict of interest, the professional's voting recommendation, and the basis for the recommended course of action and will discuss the matter with the Investment Committee. The Investment Committee meeting attendees will determine a course of action that they believe is in the affected Fund's best interests. Based on the Investment Committee's consensus, the CCO shall vote the securities if voting is to be done electronically, or the investment professional assigned to monitor the portfolio company or any officer of the Adviser shall vote the securities if voting is to be done by paper or in another non-electronic means.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist the Adviser in fulfilling all or part of its voting obligations. In this regard, the Adviser can retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to which Voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: [cco@standardcryptovc.com](mailto:cco@standardcryptovc.com).

#### **Item 18. Financial Information**

Item 18 is not applicable to the Adviser.

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to the Adviser.