

PATH DIGITAL ADVISORS, LLC

444 West Lake Street, Suite 1700,
Chicago, IL 60606
www.pathcrypto.com

Part 2A of Form ADV: Firm Brochure March 31, 2024

This brochure ("Brochure") provides information about the qualifications and business practices of Path Digital Advisors, LLC ("Path"). If you have any questions about the contents of this brochure, please contact us at compliance@pathcrypto.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Path is also available on the SEC's website at www.adviserinfo.sec.gov. Path is a registered investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"); however, such registration does not imply a certain level of skill or training.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information based on which you determine to hire or retain an investment adviser.

Material Changes

The Brochure contains material changes to the disclosures provided by Path Digital Advisors, LLC (the “Firm,” “Path,” “we,” “us,” or “our”) in its brochure dated December 7, 2023. Since its previous filing:

1. Path’s Principal Office and Place of Business changed to 444 West Lake Street, Suite 1700, Chicago, Illinois.
2. Stephen Beavis is now the new Chief Compliance Officer of Path.

Please note that the above summary addresses only the changes that Path has determined to be material, and does not reflect all of the changes that have been made to the Brochure since the previous annual amendment. In addition, Path made other routine updates to the Brochure. Accordingly, all recipients of this Brochure are encouraged to read it in its entirety.

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Item 4: Advisory Business

Path is an SEC registered investment adviser formed in 2020 as a limited liability company in the State of Illinois. Path is a wholly-owned subsidiary of Path Finance Corporation, a Delaware corporation, and is indirectly owned by our founders, Stephen Beavis and Joel Birch, and MediaTech, Ltd. Information about Path's organizational and ownership structure, as well as information about its advisory business, is provided in Part 1 of Path's Form ADV, which is available online at <http://www.adviserinfo.sec.gov>. Path's eligibility for SEC registration is based on its activities resulting in it qualifying as an internet adviser.

As an internet adviser we provide investment advice to our clients exclusively through an interactive website, except for a de minimis exception that permits us to provide investment advice to fewer than 15 clients through means other than the interactive website during the preceding twelve months. Specifically, our interactive website uses computer software-based models or applications to provide investment advice to clients based on personal information each client supplies through the website. We primarily service retail clients.

Our niche investment advisory services are digital assets. A "Digital Asset" as used in this brochure, refers to an asset that is issued and transferred using distributed ledger or blockchain technology, including, but not limited to, so-called "virtual currencies," "coins," and "tokens" and other cryptocurrency.

A "Managed Account Client" is a client that uses the interactive website to invest, giving investment discretion to Path for the client's account. Investment decisions for Managed Account Clients will be made based on Path's investment models. Through the website, Path works with each Managed Account Client to establish an appropriate investment profile. Managed Account Clients can choose from 3 portfolios - balanced growth, strategic growth, and opportunistic growth. Path reserves the right to offer additional portfolio strategies in its absolute discretion. Managed Account Clients can also impose reasonable restrictions on Path's management of their accounts. Managed Account Clients must provide Path with suitability information concerning their personal financial situation, goals, and objective.

A "Self-Directed Account Client" is a client that elects access to Path's research, investment recommendations and portfolio management tools, but retains investment discretion regarding its account. Path provides recommendations to Self-Directed Account Clients, but these clients ultimately make their own investment advisory decisions with respect to their accounts.

Each Managed Account Client or Self-Directed Account Client is referred to herein as "Client", and collectively, as "Clients".

As of March 1, 2024, we managed \$155,766 of client assets on a discretionary basis only.

Item 5: Fees and Compensation

The fees applicable to any Client are detailed in each Client's investment management agreement or similar document. In consideration of our investment advisory and portfolio management services to Clients, Path generally charges a monthly management fee (the "Management Fee") based on the average US dollar value of a Client's portfolio over the past month (the "Account Value").

The Management Fees are as follows:

- Clients with an Account Value equal to or less than \$100.00 will not be assessed a Management Fee;
- Clients with an Account Value less than \$1,000, but greater to or equal to \$100.01 shall be assessed a Management Fee of \$5.00 per month;
- Clients with an Account Value less than \$25,000, but greater to or equal to \$1,000.01 shall be assessed a Management Fee of \$20.00 per month.
- Clients with an Account Value greater to or equal to \$25,000 ("Prime Clients") shall be assessed a Management Fee equal to one-twelfth of the Management Fee Rate multiplied by each Prime Client's Account Value. The "Management Fee Rate" for Prime Clients is 1.00% per annum.

The Management Fee will be calculated and payable monthly in arrears. If a Client enters into or terminates their investment management agreement at any time other than the first day of the month Path will charge or rebate the Client, as applicable, an amount that is pro-rated based on the number of days that the account was managed during that month.

In the sole discretion of Path, the Management Fee can be waived, reduced or calculated differently with respect to certain Clients, including Clients affiliated with Path.

Path also sells Digital Asset research focused on the Digital Asset market as whole. Such research is not tailored to any Client's investment objectives. Path charges \$20 per month for the research.

It should be noted that any client of Path after the date of this Brochure may have materially different terms as to the Management Fees than those summarized above and any such terms for an existing Client may be amended from time to time. Please note that the Management Fee charged by Path can be higher than similar fees charged by other advisers that provide same or similar services.

Clients will incur brokerage and other transaction costs and expenses, including, but not limited to: service fees, custodial fees and expenses, taxes, and direct or indirect trade execution fees and expenses such as commissions, markups or markdowns. Such taxes, brokerage and other transaction costs and expenses are the sole responsibility of the Client and are separate from Path's Management Fee. For further fee information, Clients should carefully review the terms of

their investment management agreement (or similar agreement), brokerage and custody agreements with all respective brokers, custodians, wallet providers, exchanges and other service providers, as applicable.

The foregoing description is not intended to be exhaustive and is qualified in its entirety by the applicable Account Documents (as defined below) of each Client and disclosures set forth on the interactive website.

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

Path does not charge any performance fees nor does Path engage in side-by-side management. Some investment advisers experience conflicts of interest in connection with the side-by-side management of Accounts (as defined below) with different fee structures. However, these conflicts of interest are not applicable to Path.

Item 7: Types of Clients

Path allows retail investors, financial institutions, investment advisers, trusts, and other types of Clients to access its internet advisory services. Path may offer services to other types of Clients in its sole discretion. Currently, Path primarily serves retail investor clients.

Path only accepts Clients who satisfy its know-your-customer, anti-money-laundering and certain other policies.

In addition, as our business is conducted through an interactive website (sometimes referred to as the "Platform"), all communications and document delivery is electronic. Clients must consent to electronic delivery of communications and documents and the use of electronic signatures. Clients must at all times have a computer, an active email address, a connection to the internet, an up-to-date version of an internet browser supported by our online website, and a two-factor authentication device such as a mobile phone in order to open an Account.

Generally, we only provide investment advice to Clients who are, as applicable, U.S. citizens, or lawful residents of the U.S. who have a social security number or individual taxpayer identification number, are located in the U.S., have a valid U.S. residential mailing address, and maintain a U.S. bank account. However, Path may accept other Clients in its discretion.

Path requires a minimum Account size of one hundred US dollars (\$100). If funds are withdrawn and an Account Value is reduced below the applicable minimum account size, Path reserves the right to close the Account. Path further reserves the right to require additional information from Clients in its sole discretion.

Recipients of this Brochure should be aware that while this Brochure includes certain information about accounts that Clients establish with us (each an Account and collectively "Accounts"), this

Brochure should not be considered to represent a complete discussion of the features, risks or conflicts associated with an Account. Additional information is included in the applicable account documents and related disclosures (collectively, the "Account Documents"). In no event should this Brochure be solely relied upon in any determination to invest in an Account. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of this Brochure. Rather, this Brochure is designed to provide information about Path for the purpose of compliance with Path's obligations under the Advisers Act. Accordingly, this Brochure responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in Account Documents or public filings.

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

Methods of Analysis and Investment Strategies

Path offers Clients investment strategies designed for investors with different financial goals, investment horizons and risk tolerances. Path designs its portfolios with Digital Assets in order to offer Managed Account Clients the return potential of that asset class in line with their investment goals and risk appetite. The varying managed portfolios we offer focus on different themes, categories, capitalizations, characteristics, and include various Digital Assets differentiated by metrics, such as liquidity, risk, and other attributes. Path primarily invests for relatively long-time horizons, often for a year or more. However, market developments could cause Path to sell assets more quickly.

All investing involves a risk of loss.

Investment Philosophy

Client Objectives

The first step in Path's investment management process is to clearly define a Client's investment goals. Investment goals are designed to account for a Client's risk preferences and liquidity requirements. Additionally, investment goals are intended to be quantifiable and attainable. Investment goals generally will not rely on potential outsized gains. Constructing clear and reasonable target returns and methods of acquiring such returns are expected to prevent common investment mistakes.

Risk-Adjusted Returns

Path's goal is not superior absolute investment performance, but superior performance with less-than-commensurate risk. Above-average gains during rising markets are not necessarily proof of a manager's skill; it takes superior performance in down markets to prove that gains were earned through skill, not exposure to above-average risk. Thus, rather than exclusively searching for prospective gains, Path places a high priority on preventing losses. Given the realized volatility

profile of the Digital Asset market, the focus on providing competitive risk-adjusted returns is Path's primary value-add to Managed Account Clients' portfolios.

Diversification

Path uses well-diversified Digital Asset portfolios in an attempt to provide high-quality risk-adjusted returns. These solutions are composed of less volatile assets and more volatile Digital Assets, including, but not limited to, Bitcoin and Ethereum. The less volatile assets provide diversification benefits, and are intended to preserve capital during market downturns and to prevent exposure to excessive risks. This framework allows Path to construct portfolios that reflect appropriate risk and return expectations given Clients' risk tolerances and liquidity needs.

Consistency, Discipline, and Experience

An asset's price will oscillate with the fluctuations of the broader market. These short-term movements are sensitive to geopolitical, headline, sentiment, and funding risks, which are subject to acute reversals in the short and medium term. Path's investment framework maintains a long-term view and focuses on an asset's fundamental attributes, such as value proposition, adoption trends, sector competitiveness, and revenue generation.

In our view, a superior investment record is ideally constructed by steady outperformance during the investment horizon rather than a series of outsized gains and drawdowns. Path aims to meet or outperform the target benchmark across various market regimes. Its portfolio solutions for Managed Account Clients are designed with the goal of meeting or outperforming the target benchmarks over a long-term investment horizon. Although Path intends for its Managed Account Clients' portfolios to generally track the relevant benchmark, Path is not required to follow the relevant benchmark and portfolio holdings may differ substantially from the benchmark's holdings in Path's sole discretion.

Investing with a long-term perspective requires discipline and flexibility. The investor must be steadfast in defending the investment thesis while continuously searching for critical insights that may alter the thesis. Path's investment professionals have witnessed and managed through multiple market cycles, acquiring the experience and perspective it believes is necessary to mitigate volatility in future drawdowns.

Collaboration

Path's goal of providing stable, high-quality risk-adjusted returns is built on collaboration, not internal competition. Teams work together to share trade ideas, identify and address risks, build tools, and explore new opportunities. The Investment division of Path may at times be composed of qualified investment specialists, researchers, data scientists, engineers, computer scientists, and system architects using investment, operational, programming, and compliance expertise developed over decades at high-quality institutions.

Service Providers

An important tenet of the investment process is the diligent review of third-party vendors and service providers. Path aims to only collaborate with third-parties that it believes have the requisite infrastructure to provide the exceptional client service and best business practices. Accordingly, Path is continuously seeking to improve its processes while prioritizing its Clients' interests.

Investment Methodology

Hybrid Approach

Path's investment process combines quantitative and qualitative analysis with a goal of discovering and capturing pricing inefficiencies across a broad array of themes within the Digital Asset class. This hybrid approach allows the team to evaluate systematic strategies through a discretionary lens and affirm fundamental views with quantitative tools.

The process-driven investment approach aims to isolate idiosyncratic profit opportunities while maintaining a low correlation to broad macroeconomic factors. Path's collaborative culture is intended to provide a foundation to optimize subject-matter expertise while adapting to changing market regimes.

Path performs extensive analysis and aims to prudently provide Clients with concentrated exposure to its high conviction investment ideas, with a view towards providing Clients high quality risk-adjusted returns over time.

Research

The research process integrates top-down, macroeconomic analysis and bottoms-up, asset-level research. Path leverages a global network of researchers and thought leaders to support the investment research process. Path's collaborative culture encourages unrestricted information flow and transparency throughout the investment team, allowing investment professionals to share original and independent ideas. This ethos fosters intellectual curiosity, creativity, and flexibility, which is instrumental to the investment research process.

Investable Asset Universe

Path utilizes quantitative analysis to construct an investable asset universe from which it constructs portfolio solutions. Quantitative analysis concentrating on market capitalization and trading volume is deployed on assets made accessible to Path via its third-party vendors and service providers. This analysis seeks to ensure there is sufficient market liquidity and aims to reduce trading slippage during periods of market stress (relative to more illiquid Digital Assets).

Additionally, it provides insight on investor interest and behavior, which are other factors in the asset evaluation process.

Macroeconomic analysis is performed on certain assets to gauge their value and purpose within the Digital Asset ecosystem. Path aims to identify several high conviction investment themes within the Digital Asset landscape and the respective leaders in each space.

Fundamental analysis is performed on these leaders to assess their relative values. This includes analysis on each asset's fundamental economic value proposition, ecosystem, lifecycle, technology, management team, and adoption curve.

Portfolio Weights

Path will use Coinmetrics data and Tableau, as a data aggregator and monitoring tool, to provide optimized portfolio weights, based on certain inputs, which serve as a guideline for Path's risk-adjusted portfolios. Discretionary adjustments are made to the optimized allocations to reflect the investment team's relative value views. The portfolios will use publicly issued benchmarks as the foundations of the portfolio. Each portfolio's risk construction will incorporate the relevant target benchmark's methodology.

Path continuously monitors the economic, financial, geopolitical, and regulatory landscape to anticipate and potentially capitalize on regime shifts. While Path maintains a long-term investment framework, the aforementioned variables may result in shorter-term investment decisions and opportunistic portfolio rebalancing (*i.e.*, outside of the scope of the applicable benchmark rebalancing).

Risk Management

Proper risk management is a crucial principle in Path's investment framework. Prudent risk measurement and management is a key differentiator between steady investment performance and uneven returns. The investment team assesses each investment opportunity within a risk-adjusted framework, analyzing each asset's expected upside and downside drivers of return. The Chief Investment Officer directs the overarching risk framework and quantifies risk in various dimensions with a view towards providing Clients with high-quality risk-adjusted returns over time.

The risk management framework encompasses managing total portfolio risk relative to the relevant target benchmark. It provides a structure to quantify portfolio tracking error and to limit deviations from a Client's risk appetite from a risk perspective.

While Path does not currently offer levered portfolio solutions, the investment team recognizes and comprehends the additional market, counterparty and other risk introduced by levered products on the Digital Asset ecosystem and accounts for the same in its analysis.

Liquidity

A main tenant of Path's investment process is liquidity. By focusing efforts and Client exposure to the most liquid assets (on a relative basis) within the Digital Asset space, Path is able to provide and reduce exposure to the asset class more efficiently from an economic and resource perspective, all else equal.

Cost

Portfolio transaction costs lower net returns for Clients and are an important consideration in Path's portfolio construction and implementation. Path aims to minimize portfolio costs for its Clients by optimizing its rebalancing schedule and trading costs.

Path currently offers the following portfolios to Managed Account Clients (each Client's account is managed pursuant to the selected portfolio, and in accordance with any reasonable restrictions imposed by the Client on the management of the account):

BALANCED GROWTH PORTFOLIO

The Balanced Growth portfolio aims to provide quality risk-adjusted returns across various market regimes. The portfolio's risk exposure is focused on the largest and most liquid Digital Assets in the marketplace. This portfolio is suitable for investors with a moderate risk tolerance. This is Path's most conservative Risk-Adjusted Portfolio ("RAP") solution with respect to risk exposure.

STRATEGIC GROWTH PORTFOLIO

The Strategic Growth portfolio aims to provide quality risk-adjusted returns across various market regimes. The portfolio's risk exposure is focused on the largest and most liquid Digital Assets in the marketplace. This portfolio is suitable for investors with an elevated level of risk tolerance. This is Path's intermediate RAP solution with respect to risk exposure.

OPPORTUNISTIC GROWTH PORTFOLIO

The Opportunistic Growth portfolio aims to maximize Digital Asset exposure by allocating 100% of the portfolio's capital to Digital Assets. The portfolio's risk exposure is focused on the largest and most liquid Digital Assets in the marketplace. This portfolio is suitable for investors with a strong risk tolerance. This is Path's most aggressive RAP solution with respect to risk exposure.

Certain Risk Factors

There can be no assurance that a Client will achieve their investment objectives or that investments in an Account will be profitable. Each Path portfolio involves a substantial degree of

risk, including risk of complete loss. Investments in Digital Assets present unique risks, which should be considered carefully, including that they have a history of high volatility, they may be subject to new or restrictive governmental regulation, they may present security concerns, they do not have protections similar to insured securities, and that they are considered a new and developing instrument. Please see below for additional risk information. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that the Path portfolios are low risk or risk free.

Path portfolios are appropriate only for persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with the Path portfolios and processes and are not necessarily applicable to each Account or each Path portfolio. Clients are urged to consult with their own personal financial, legal and tax advisors before making any investment decisions.

GENERAL RISKS

Investment-Related Risks.

The investment business, and in particular investing in Digital Assets is speculative, underlying asset prices are volatile and market movements are difficult to predict. Supply and demand for investment opportunities change rapidly and are affected by a variety of factors, including interest rates, housing prices, merger activities, regulation, unemployment, wage growth and general economic trends. In addition to these general investment risks, Path may use investment techniques that can subject its Clients to certain risks; some, but not all, of these risks are summarized below.

Investment and Trading Risks Generally.

Investing involves a high degree of risk, including the risk that the entire amount invested may be lost. Depending upon the specific strategy, a Client generally will make direct or indirect investments in Digital Assets using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of Digital Assets, global equity, currency and fixed income markets, leverage, regulatory uncertainty, the potential illiquidity of certain instruments and loss from counterparty defaults. No guarantee is made that a Client's investment program or overall portfolio, or various investment strategies used or investments made, will have low correlation with each other or that a Client's returns will exhibit low long-term correlation with broad macroeconomic factors. A Client's investment program may use such investment techniques, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which a Client may be subject. The use of certain trading counterparties and exchanges, in the context of Digital Asset transactions, may substantially increase transactional risks and increase the adverse impact to which a Client may be subject. All investments made by a Client risk the loss of capital. No guarantee or representation is made that a Client's investment program will be successful, that a Client will achieve its investment objective

or that there will be any return of capital invested to Client, and investment results may vary substantially over time.

No Guarantee of Return or Performance.

The obligations or performance of a Client or the returns on investments in a Client portfolio will not be guaranteed in any way.

Broad Discretionary Power to Choose Investments and Strategies.

Path has broad discretionary power to decide what investments a Client will make and what strategies it will use. Path may choose any other investments and strategies that it believes are advisable, consistent with a particular Client's investment objectives and restrictions and subject to the ultimate authority of Path.

Limited Operating History.

Path has limited operating history upon which prospective investors can evaluate its performance. A Client's investment program should be evaluated on the basis that there can be no assurance that Path's assessment of the prospects of investments will prove accurate or that a Client will achieve its investment objective.

Dependence on Key Individuals.

The authority for all Client decisions will be delegated to Path. Other than self-directed Clients, Clients will generally have no authority to make decisions or to exercise discretion on behalf of their Account. The success of an Account will be significantly dependent upon the expertise of the relevant key person and the other members of the investment team. Although Path anticipates that it and its principals will devote a significant portion of their time to the conduct of Path's investment business, Path or its principals may also serve as investment advisers or investment managers to other Clients or investment vehicles. Furthermore, the principals of Path are not required to devote all of their time to Path and its Clients, and there can be no assurance that any principal of Path will continue to remain associated with Path.

Counterparty Risk.

Some of the Digital Asset markets in which Path may affect transactions are "over-the-counter". The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of non-Digital Asset "exchange-based" markets are subject. To the extent Path invests in over-the-counter Digital Asset transactions, they may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in non-Digital Asset exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and

settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. Such transactions expose Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or transaction (whether or not bona fide) or because of a credit or liquidity problem. In such events, Clients may bear a loss in connection with the relevant transaction. Such “counterparty risk” is accentuated for contracts and investments with longer maturities where events may intervene to prevent settlement, or where a Client has concentrated its transactions with a single or small group of counterparties. Path is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of Path to transact business with any one or a number of counterparties, the lack of any independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Client.

Dependence on Service Providers.

Path relies on service providers for certain aspects of their business, including certain financial operations, trade related activity, IT infrastructure and systems, trade reconciliation, among other things. Path does not control these service providers and has limited transparency into such businesses’ day-to-day operations. Any interruption or deterioration in the performance of such service providers could impair the quality of Path’s operations, negatively affect Path’s investment strategies, and ultimately expose Clients to losses.

Systems Risks.

A Client will depend upon Path to develop and implement appropriate systems for Path’s activities. In particular, Path will rely extensively on computer programs and systems to evaluate certain assets based on real-time trading information, to monitor their portfolios and net capital and to generate risk management and other reports that are critical to the oversight of a Client’s Account. In addition, certain of Path’s operations will interface with or depend on systems operated by third parties, including market counterparties and their sub-custodians and other service providers, and Path may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer “worms,” viruses and power failures. Any such defect or failure could have a material adverse effect on a Client. For example, such failures could cause inaccurate reports, which may affect Path’s ability to monitor a Client’s investment portfolio and its risks. In addition, despite the security measures established by Path and third parties to safeguard its and their respective systems, including the information therein, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein and could have a material adverse effect on a Client.

Margin Offered by Digital Asset Exchanges.

Path does not provide, or make recommendations to, Clients with respect to margin financing.

Lending and Staking.

Path currently will not offer any lending or staking services to any Clients.

MATERIAL, SIGNIFICANT OR UNUSUAL RISKS RELATING TO INVESTMENT STRATEGIES

Flaws in Path Portfolios

Any of the investment strategies, analytical models, algorithms or trading techniques used by Path may not be successful, may have inherent limitations, may not have a tested track record, and may have operational, theoretical or other flaws or shortcomings, which could result in unsuccessful investments and increased risk and, ultimately, losses to Accounts. Adjustments by Path to the foregoing may not be successful.

A Client's investment in Path portfolios depends on Path's ability to accurately predict future price movements of assets or the convergence of market prices toward the theoretical values expected by Path. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements will be determined by unanticipated factors, and Path's analysis of known factors may prove incorrect, in each case potentially leading to substantial losses to an Account.

Investment Analysis

Investment analysis is premised on the assumption that markets are not perfectly efficient, that informational advantages and mispricings do occur and that fundamental and econometric analysis can identify investment opportunities. Investment analysis may incur substantial losses if such factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mispricings to continue despite Path having correctly identified such mispricings.

Investment analysis involves the use of quantitative models, the analysis of economic, technical, regulatory, and sociopolitical events, and the analysis of asset and market level metrics, which may cause Path to be unsuccessful in the asset selection or portfolio construction process. The impact of these metrics and events are difficult to forecast and an asset's historical behavior may not continue in the future.

The use of quantitative models in investment analysis involves model risk, where the models may be incomplete or incorrect, or the data on which the models were built upon is incomplete or incorrect, or the models may not be employed as intended by the portfolio manager. Relatedly, the analysis of asset and market level metrics may involve data integrity risk, where data used in

calculating metrics is deemed to be incomplete or incorrect. Any of these factors could cause a portfolio to underperform the market benchmark or competitor portfolios.

Portfolio Turnover.

Accounts are not restricted in effecting transactions by any specific limitations with regard to their portfolio turnover rate. A Client's investment decisions might result in substantial portfolio turnover. Investments may be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position in such investments.

Execution Risks.

An Account's investment strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments recommended by Path and/or selected by the Client. Should an Account's trading orders and a Client's investment decisions not be executed in a timely and efficient manner, the Account may only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Account might not be able to make such adjustment. In such an event, the Account would not be able to achieve the market position recommended by Path and selected by the Client and might incur a loss in liquidating its position.

Risks Associated with Digital Asset Swing Trading

Although Path will opportunistically explore short term opportunities as the market presents dislocations and volatility – it does not intend to engage in short term trading activities such as swing trading. Clients on their own discretion may engage in automated Digital Asset "swing trading" strategies for their Accounts. Digital Asset swing trading entails a high level of risk, including risk of loss of an investor's entire investment. Digital Asset swing trading is a strategy whereby traders aim to profit from price movements across a short to medium time frame, to catch swings in the market which can occur over days, weeks, or months. An investor "swings high" when the market peaks before pulling back, providing an opportunity for a short trade, and "swings low" when the market dips and bounces, providing an opportunity for a long trade. Swing trading strategies generally work best in actively traded markets or assets with large capitalization and price volatility. Swing trade investors typically use technical analysis to observe short to medium time frame charts to catch daily and weekly trends, and fundamental analysis to assess economic events that can often occur over days or weeks. Automated tools such as Digital Asset bot strategies scan the market and automatically buy and sell assets once defined criteria have been established by the investor, such as volume, orders, time and price preferences, or by automatically monitoring signals of other traders in the market. Digital Asset swing trading involves high levels of risk, including based on such factors as, but not limited to: volatility of individual Digital Asset markets and tokens; varying levels of market volume and liquidity for various Digital Asset tokens; evolving regulatory and industry environments that could potentially

change the fundamentals of the Digital Asset market or particular tokens or service providers in the market; risk of loss associated with market movements in unanticipated directions; overnight risk of loss based on positions being held for longer than a day, price gaps that may occur when positions are held overnight, and the potential for adverse reports or developments occurring in the after-hours market; and risk associated with attempting to time the market; and competition from other automated trading bots. Due to the high frequency of trading, swing trading can generate substantial fees, costs, and taxes to the investor, including at much higher levels relative to more passive investment strategies, and can negatively impact investment performance as a result. Clients will also incur swap fees which are daily interest rate charges levied on overnight positions.

Risks Associated with Digital Asset Scalping

Although Path will opportunistically explore short term opportunities as the market presents dislocations and volatility – however it does not intend to engage in short term trading activities such as scalping. Certain strategies may enable Clients on their own discretion to engage in Digital Asset “scalping” strategies for their accounts. Digital Asset scalping entails a high level of risk, including risk of loss of an investor's entire investment. Digital Asset scalping is a short-term intra-day trading strategy which aims to profit from small price movements by accumulating small but frequent profits with the objective of generating a substantial return by the end of the trading day. Short trading timeframes, frequent trading, and quick execution are important for scalping Strategies. Scalping tends to focus more on technical analysis than fundamental analysis, and investors will typically rely heavily on candlestick chart patterns, support and resistance levels and other technical indicators. Scalping strategies generally work best in actively traded markets or assets with constant price volatility. Typical scalping strategies include, but are not limited to: range trading, which involves monitoring the price movement between the high and low levels of an asset within a certain time period with the bottom and top of the range as support and resistance markers until the range is broken such that traders will aim to buy at support and sell at resistance over short intervals including in a minute or minutes; and bid-ask spreads where the investor aims to exploit the difference in wide spreads between bid and ask prices by attempting to sell when the asking price is higher and bid price is lower than usual, and sell in narrow bid-ask spreads when the asking price is lower and the bid price is higher than usual.

Automated tools such as Digital Asset bot strategies manage the high-frequency nature of scalping, and typically consider momentum indicators, support and resistance, and moving averages when scanning the market, or look for signals based on trading by other Digital Asset traders. Digital Asset scalping involves high levels of risk, including , but not limited to: volatility of individual Digital Asset markets and tokens; varying levels of market volume and liquidity for various Digital Asset tokens; evolving regulatory and industry environments that could potentially change the fundamentals of the Digital Asset market or particular tokens or service providers in the market; risk of loss associated with market movements in unanticipated directions; risk associated with attempting to time the market; competition from other automated trading bots; necessity for active trading requiring fast reactions and quick execution; use of margin for trading.

Investors engaged in scalping strategies will also incur commissions and other account related charges based on the volume of trading in which their account engages, and will also incur swap fees which are daily interest rate charges levied on overnight positions. Due to the high frequency of trading, scalping can generate substantial fees, costs, and taxes to the investor, including at much higher levels relative to more passive investment strategies, and can negatively impact investment performance as a result.

Risks Associated with Market Neutral Digital Asset Trading

Although Path will opportunistically explore short term opportunities as the market presents dislocations and volatility – however it does not intend to use market neutral strategies. Market neutral Digital Asset trading involves opening long and short positions simultaneously to take advantage of inefficient pricing between Digital Assets. Market neutral trading entails a high degree of risk. Profit is determined from the relative pricing change between two assets instead of the direction each moves. Risks associated with market neutral

Digital Asset trading include, but are not limited to: execution risk, including in volatile market periods; correlation and cointegration failure risk, including as changes in fundamental factors may impact individual price movements of Digital Assets, and a pair trade can experience negative performance if assets move in unexpected directions; and price filling risk, including as pair trade or arbitrage margins tend to be small and there is significant risk that orders will not be filled at the desired price, particularly when liquidity is low.

Risks Associated with Intermediate Digital Asset Trading

Intermediate Digital Asset trading involves moderately fast trend trading that trades directionally both long and short, with the aim of achieving risk-adjusted neutral returns, including with mean reversion. Trading positions are designed for intermediate trading periods, sometimes ranging from approximately a week to several weeks. Intermediate Digital Asset entails a high degree of risk.

Risks Associated with Machine Learning Digital Asset Trading

Although Path will opportunistically explore short term opportunities as the markets present dislocations and volatility and may deploy machine learning in a supportive manner, it does not intend to utilize machine learning in a systematic manner in the portfolio constructing process. Clients may use these techniques for their discretionary accounts. Machine learning Digital Asset trading involves trading strategy bots with machine learning algorithms. This includes strategy bots that utilize such methods as direct reinforcement learning whereby programs are used to develop an optimized strategy based on performance from prior trading or simulations. While such trading strategies may involve swing trading, scalping, other Digital Asset trading strategies or a combination, such trading bots attempt, for example, to create a system that adapts based on specified time intervals for trading and to current market conditions for predictive trading

purposes. Machine learning Digital Asset trading involves a high degree of risk. Given the proprietary nature of these strategies to their authors, the specific trading strategy is not always publicly known, and we do not have access to the algorithm logic, code, or assumptions, and therefore do not have the ability to conduct due diligence on them or to confirm that they are error-free.]

Availability of Digital Asset

Not all Digital Asset investments are represented on our Platform. Clients may not have exposure through the Platform to many other Digital Asset investments. Additionally, if regulators find that the Digital Assets on the Platform or other U.S.-based exchanges are not freely tradable it could negatively impact their value and decrease the number of Digital Assets available for investment on the Platform.

Third Party Information

Path will provide Clients information from third-party sources related to Digital Asset listed on the Platform. Path relies on these representations and does not independently verify this information. This includes Digital Assets news wire services and an API that we make available on our Platform, which provide general news, articles and opinion pieces on the Digital Assets market and tokens. As a result, Path can make no assurances as to the completeness or accuracy of any such information.

Platform Information

Although Path endeavors to provide information on the Platform from third-party sources, information from such sources may not always be accurate, complete or current. We do not verify information from third-party sources of information. Accordingly, Clients should verify all information before relying on it, and all decisions based on information contained on the Platform are solely the Client's responsibility.

Service Providers

The institutions with which Path (directly or indirectly) and our Clients do business, such as Digital Asset exchanges, and other financial and non-financial institutions, may encounter financial difficulties that impair their operational capabilities, or our ability to provide our investment advisory services to our Clients. Path relies heavily on various service providers to perform many of the functions required to fulfill its investment objective. Should any of these service providers experience financial, regulatory, or other difficulties that affect their operations, Path's operational capabilities and financial position would be adversely affected. This is particularly acute in light of the changing regulatory landscape for Digital Asset, which could affect the regulatory standing of service providers, and may cause them to change their business models or

cease providing services to Path altogether, any of which could adversely impact Path's ability to fulfill its investment and other functions.

Portfolio Allocation and Rebalancing

Unless otherwise determined by the Adviser, Accounts for Managed Account Clients are generally rebalanced on a regular schedule such that each asset's share of the portfolio reflects the target weight at implementation date. Rebalancing may not successfully achieve an investor's goals for a variety of reasons, including unexpected market events or trends that the algorithm does not anticipate, as well as inaccurate, incomplete, or otherwise faulty data and/or inputs provided by the investor that are used by the algorithm. In addition, Digital Asset exchanges may and have experienced internet disruptions, which could impact their ability to execute trades for rebalancing purposes, including in a timely or efficient manner, which may adversely impact Path's ability to execute transactions and Client returns.

Software & Technology Risk

Scheduled account rebalances for Managed Account Clients are calculated automatically according to target portfolio weights as instructed by the investment team. The target portfolio weights are chosen based on inputs from the Client and other factors. Clients should note the risk that the software can only base its output on the input from the Client. As such, the software's output is only as accurate as the data the Client inputs and it is incumbent on Clients to provide full and accurate information. The output that the software generates may not assess all of the Client's particular situation. Special circumstances, qualitative characteristics, and other intangible components of a Client's personal background that are not captured by the software may cause the software's assumptions with respect to a Client to be incorrect.

Market Risk

The value of the investments held in Clients' Accounts is subject to change based on changes in economic conditions, growth rates, profits, and the market's perception of these investments. The price of any instrument can decline for a variety of reasons outside of Path's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, regulatory changes, and domestic or foreign political, demographic, or social events.

Effect of General Economic Conditions

General economic conditions may affect our investment activities. Changing economic, political, and regulatory or market conditions, general levels of economic activity, the price of Digital Asset, and participation by other investors in the financial markets may affect the value and number of investments made by Path or considered for prospective investment. Different parts of the market and different types of investments can react differently to these developments. Every investment

has some level of market volatility risk. Economic slowdowns or downturns could lead to financial losses in Clients' investments. In addition, many investments may be similarly subject to the same economic conditions, which could adversely impact investment returns.

Cybersecurity Risk

As the use of technologies, such as the internet, has become more common in conducting business, Client accounts have become potentially more susceptible to operational, information security and related risks through breaches in cybersecurity. Generally, a cyber incident may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to private keys or to digital systems, misappropriating assets or sensitive information, causing a Client account to lose proprietary information, corrupting data, or causing operational disruption, including denial-of-service attacks on websites. Additionally, Digital Assets pose their own cybersecurity risks. Blockchain miners or validators maintain the record of ownership of Digital Assets, and if these entities suffer from cyberattacks or other security incidents, or for financial or other reasons cease to perform these functions, the functioning of the blockchains on which the ownership of Digital Asset is recorded and the valuation based may be jeopardized. The types of incidents that might affect blockchain security include hacking, which involves efforts to gain unauthorized access to information or systems or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment; the inadvertent transmission of computer viruses or other malware; or malfeasance or negligent acts of personnel, such as phishing attacks and other forms of social engineering. Any such interruption could result in impermissible transfers of Digital Assets and/or loss of Digital Asset and/or their value. A cybersecurity breach in Path's Platform or to the entities involved in the recording and transfer of Digital Assets in turn could cause a Client account and/or Path to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity failures or breaches of a third-party service provider that provides services to a Client account may also subject a Client account and/or Path to these cybersecurity risks.

Geopolitical Risk

The impact of geopolitical events on the supply and demand for Digital Assets is uncertain. Digital Asset is a relatively new asset class and is subject to supply and demand forces based in part upon the desirability of an alternative, decentralized means of buying and selling goods and services. It is unclear how such supply and demand will be impacted by geopolitical events, including regulatory changes. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of Digital Assets globally and/or locally. Large-scale sales of Digital Assets are likely to result in a reduction in the value of Digital Assets contained on the Platform and may adversely affect a Client's investment in Digital Assets also held in their account.

Risks Associated with Digital Currencies, Digital Assets and Digital Asset Networks

Path recommends investments in Digital Assets. Currently, these assets are either unregulated or in the early stages of regulation by U.S. federal and state governments and self-regulatory organizations. As Digital Asset have grown in popularity, certain U.S. agencies, such as the SEC, the Financial Crimes Enforcement Network, the Commodity Futures Trading Commission ("CFTC"), the Federal Reserve and other banking regulators, and State regulators, have begun to examine Digital Asset and the operations of Digital Asset in depth. The SEC views a significant portion of Digital Asset as securities and has been involved in multiple enforcement actions, settlements, and federal court cases regarding the regulatory status of Digital Asset, their issuers, and intermediaries involved in the industry. The CFTC has declared that certain other Digital Asset are commodities and regulates those assets and in particular derivatives related to them. To the extent that any type of Digital Asset is determined to be a security, commodity, future, or other regulated asset where Path has not anticipated that treatment, or to the extent that a U.S. or foreign government or quasi-governmental agency exerts additional regulatory authority over Digital Asset, Client accounts may be adversely affected. The effect of any future regulatory change on Clients is impossible to predict, but such change could be substantial and adverse.

Concentration Risk

Concentrating investments in the Digital Asset sector increases the risk of loss, because developments that adversely affect the sector as a whole may cause most if not all of investments in this asset class to decline in value.

Digital Asset Risks

Digital Asset represents a speculative investment and involves a high degree of risk. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital Asset exchanges have been closed due to fraud, failure, security breaches, and legal noncompliance. Client assets held on an exchange that shuts down may be lost. Several factors may affect the price of Digital Asset, including, but not limited to supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Digital Asset or the use of Digital Asset as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will grow. The prior performance of Digital Asset is not necessarily indicative of future results. Many Digital Assets have experienced high levels of performance and rapid increases in price, followed by significant downturns in performance and similarly rapid decreases in price. Digital Assets are created, issued, transmitted, and stored according to protocols run by computers in the Digital Asset network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all Client assets.

There may also be network scale attacks against these protocols that result in the loss of some or all Client assets. Some assets may be created, issued, or transmitted using experimental cryptography that could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols that may be negatively affected by technological advances that undermine the cryptographic consensus mechanism underpinning blockchain and distributed ledger protocols. Path makes no guarantees about the reliability of the cryptography used to create, issue, or transmit assets. Certain Digital Assets may rely on or are built on a public or third-party blockchain, and the success of such blockchain may have a direct impact on the success of Digital Assets listed on the Platform and recommended by Path. These Digital Assets are partly dependent on the effectiveness and success of such blockchains, as well as the success of other blockchain and decentralized data storage systems that are being used by the issuer of the Digital Asset. There is no guarantee that any of these systems or their sponsors will continue to exist or be successful. This could lead to disruptions of the operations of the issuer of Digital Assets listed on the Platform and could negatively affect any Digital Assets held by a Client from such issuer. The Digital Asset market presents significant risks that could negatively impact Path's ability to purchase and sell Digital Asset on a Client's behalf. For example, the Digital Asset market frequently involves shallow trade volume, extreme hoarding, low liquidity, and high bankruptcy risk. Blocks of Digital Assets are often hoarded by a few owners and/or are kept out of circulation. Ownership concentration is high, which increases liquidity risk because large blocks of Digital Assets are difficult to sell in a timely and efficient manner.

Risk of Loss of Private Key

Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and such private keys would not be capable of being restored by Path. Any loss of private keys relating to digital wallets used to store the Client's Digital Assets could result in the loss of the Digital Assets controlled by such private key.

In addition, it is possible that a custodian or exchange might lose information required to access the Client's Digital Assets. For example, in 2019, a Canadian cryptocurrency exchange reported that it was unable to access \$145 million of Digital Assets following the death of its CEO. In this case, the unavailable assets had been stored offline in "cold wallets" that provided protection from hacking but were only accessible to the deceased CEO. Similar events at a custodian or exchange used by the Client could have a substantial negative impact on the Client.

No FDIC or SIPC Protection

Digital Assets are not subject to Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") protections. Since Path is not a member of the FDIC or SIPC, Client assets are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. While private insurance may be available at times, Client assets are not insured by Path.

Legality of Digital Currencies

Owning, holding, selling, or using Digital Assets may be illegal now or in the future in one or more countries, including the United States. Countries may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell, or use Digital Assets. Such an action may restrict Path's ability to hold or trade Digital Assets and could result in termination and liquidation of Client accounts at a time that is disadvantageous to Clients.

Qualified Custodians

Entities that provide custody for Digital Assets are subject to evolving guidelines from regulatory authorities. Although Path takes the view that its custodian service providers provide similar levels of protection of customer keys, which provide secure access and control of an investor's Digital Assets, and is similar to the function that "qualified custodians" serve for purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule") with respect to more traditional asset classes, most Digital Asset exchanges and wallet providers are not technically "qualified custodians" as that term is defined in the Custody Rule because they are not banks, registered broker-dealers, futures commissions merchants, or foreign financial institutions that hold financial assets for their customers or which hold advisory Client assets in customer accounts segregated from its proprietary assets.

As the regulatory framework with respect to custody of Digital Assets is evolving, there is a risk that the SEC or a state regulator would disagree and may not deem such Digital Asset service providers to qualify to be "qualified custodians" for purposes of the Custody Rule. If such a regulatory event were to occur, it is uncertain what impact that would have on the Digital Asset industry's ability to provide custody through such service providers or the ability to transfer custody of Client assets to more established financial institutions that may technically meet the definition of a "qualified custodian" as many Digital Asset exchanges are not currently registered as broker-dealers, including exchanges we support on our Platform.

Digital Asset Exchanges and Trading Venues.

The Digital Asset trading platforms (also called "exchanges" though often neither licensed nor regulated as such) on which Digital Assets trade are relatively new and, in many cases, largely unregulated and, therefore, may be more exposed to fraud and failure than established, regulated exchanges for other assets. Any fraud, security failure or operational problems experienced by the Digital Asset exchanges could result in a reduction in the value of the Digital Assets and adversely affect a Client's investment. Furthermore, many such exchanges do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, Digital Asset exchanges, including prominent exchanges handling a significant portion of the volume of trading. 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. To the extent that a Digital Asset is hosted or traded on a limited number of exchanges, these risks are amplified and may cause a significant diminution in value of such Digital Asset.

Digital Assets traded on a blockchain may not rely on a trusted intermediary or depository institution. The participation in exchanges often requires a user to take on credit risk by transferring Digital Assets from such user's account to a third party's account which may or may not be hosted directly at or by the exchange. Accordingly, a Client is exposed to credit risk with respect to its counterparties in each transaction, including transactions directly with a counterparty sourced through an exchange as well as transactions directly with such an exchange. Certain Digital Asset exchanges may also require a Client and/or Path to pre-fund its trading accounts in fiat or in stablecoins or other Digital Assets, exposing such Client or Path to additional credit risk associated with the party to whom the assets are transferred. To the extent a Client uses margin for trading, such risks may be magnified. It may be difficult or impossible for the Client and/or Path to monitor or control this credit risk, which could have an adverse impact on the Client and/or Path and, to the extent the Client and/or the Path suffer losses as a result, on the value of a Client's investment. There can be no assurance that deposited assets can be recovered.

There are a limited number of Digital Asset exchanges in operation, and many operate in jurisdictions outside of the United States. Trading on Digital Asset exchanges outside of the United States may involve certain risks not applicable to trading on Digital Asset exchanges that operate in the United States. Foreign markets may be subject to instability, temporary closures due to fraud, business failure, local capital requirements or government-mandated regulations. Digital Asset exchanges located outside the United States may not be subject to regulatory, investigative, or prosecutorial authority through which an action or complaint regarding missing or stolen Digital Assets may be brought. Additionally, due to lack of globally consistent treatment and regulation of Digital Assets, certain exchanges located outside the United States may not be currently available to or may in the future become unavailable to certain persons or entities based on their country of domicile, including the United States. Path may also have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained on behalf of a Client 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 Client's investment.

Over the past several years, a number of Digital Asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such Digital Asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such Digital Asset exchanges. While smaller Digital Asset exchanges are less likely to have the infrastructure and capitalization that make larger Digital Asset exchanges more stable, larger Digital Asset exchanges are more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems). In 2014, the largest Bitcoin

exchange at the time, Mt. Gox, filed for bankruptcy in Japan amid reports the exchange lost up to 850,000 Bitcoin, valued then at over \$450 million.

In January 2015, Bitstamp announced that approximately 19,000 Bitcoin had been stolen from its operational or “hot” wallets. In August 2016, it was reported that almost 120,000 Bitcoin worth around \$78 million were stolen from Bitfinex, a large Digital Asset Exchange. The value of Bitcoin immediately decreased by more than 10% following reports of the theft at Bitfinex. In addition, in December 2017, Yapian, the operator of Seoul-based Digital Asset exchange Youbit, suspended Digital Asset trading and filed for bankruptcy following a hack that resulted in a loss of 17% of Yapian’s assets. Following the hack, Youbit users were allowed to withdraw approximately 75% of the Digital Assets in their exchange accounts, with any potential further distributions to be made following Yapian’s pending bankruptcy proceedings. Additionally, in January 2018, hackers stole a reported \$534 million worth of NEM Cryptocurrency from Coincheck, a Tokyo-based exchange.

In January 2019, QuadrigaCX, a Canadian cryptocurrency exchange, ceased operations and the company was declared bankrupt. The company's CEO and founder, Gerald Cotten, reportedly died unexpectedly in December 2018, after traveling to India. Up to C\$250 million (US\$190 million) owed to 115,000 customers was discovered missing or could not be accessed because only Cotten held the password to off-line cold wallets. In a report released in April 2019, the auditing firm Ernst and Young said it had determined Cotten was mixing his personal and corporate finances, saying some QuadrigaCX funds may have been used to buy assets held outside the business.

In May 2019, Binance, one of the world’s largest cryptocurrency exchanges, revealed that it had been the victim of a “large scale security breach” in which hackers had stolen 7,000 Bitcoin worth around US\$40 million at the time. Binance reported that the hackers “used a variety of techniques, including phishing, viruses and other attacks” and structured their transaction in a way that passed its existing security checks.

In November 2022, FTX Trading Ltd. and its affiliates, once one of the world’s largest Digital Asset exchanges, filed for bankruptcy protection after identifying a deficit of approximately \$8.9 billion in customer funds that it could not account for.

Digital Asset exchanges that are regulated typically must comply with minimum net worth, cybersecurity, insurance, audit, and anti-money laundering requirements, but are not typically required to protect customers or their markets to the same extent that regulated securities exchanges or futures exchanges are required to do so. For example, U.S. state and federal regulatory regimes for Digital Asset exchanges have no specific requirements that exchanges detect, report or prevent manipulative trading activity, such as spoofing.

In addition, 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. For example, on June 21, 2017, at approximately 3:30 p.m., the price of ETH on the GDAX (Coinbase) exchange declined from \$317.81 to \$0.10 and then recovered to prices above \$300, all within the span of approximately 10 seconds.

A lack of stability in Digital Asset exchanges, manipulation of Digital Asset markets by Digital Asset exchange customers and the closure or temporary shutdown of such exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Digital Assets generally and result in greater volatility in the market price of Digital Assets. These potential consequences of an exchange's failure or failure to prevent market manipulation could adversely affect a Client's investment.

Trade Errors

Given the nature of Digital Assets and relatively new and unregulated nature of the Digital Asset market and exchanges, in the event a Digital Asset exchange was to make a trade error in executing an order for a Client's account, it may not be able to reverse the trade in whole or in part. If a trade error were to occur, we do not guarantee the ability to reverse the trade, and its resolution. This includes, but is not limited to, errors in a Path investment team member's trade orders, or failure by a Digital Asset exchange to send or receive trade orders. The Client will bear any financial gain or loss associated with trade errors in their accounts. Path implements a rigorous best execution process for its Clients and carries a duty to make Clients whole on losses resulting from trade errors if the error or breach is found to be intentional.

Stolen or Incorrectly Transferred Digital Assets May be Irretrievable

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

Amendments to a Digital Assets Network's Protocols and Software Could Adversely Affect the Client's Investment and Trading Activities

Digital Asset networks (collectively, "Networks") are typically based on protocols that govern peer-to-peer interactions between computers connected to a Digital Asset's Network. Digital Asset networks are not regulated, and persons participating in the creation and maintenance of Digital Asset networks and digital protocols are not required to be licensed or subject to qualification standards. Generally, the code that sets forth a Digital Asset's protocol is informally managed by

a development team known as the core developers. A Digital Asset's core developers, miners, and/or users (each such core group in respect of a particular Digital Asset, the "Community") can propose amendments to a Network's source code through one or more software upgrades that alter such Digital Asset's protocols, the software that govern its Network and the properties of the Digital Asset itself, including, but not limited to, the irreversibility of transactions and limitations on the mining/creation of new Digital Asset units. To the extent that a majority of a Community installs such software upgrade(s), such Digital Asset's Network could be subject to new protocols and software that may adversely affect a Client's investment and trading activities. If less than a majority of a Community installs such software upgrade(s), such Digital Asset's Network could "fork."

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

Risk to Digital Assets Networks from Malicious Actors

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

may not be possible. Such changes could adversely affect a Client's investments or the ability of Path to complete transactions.

Forks and Airdrops

A "fork" as described above or an airdrop (i.e., a free, unsolicited distribution of an asset to a recipient's Digital Asset wallet) may affect the value of the original Digital Asset. The applicable exchange may (i) not accommodate the new Digital Asset; (ii) only accommodate the new Digital Asset after a significant period; or (iii) have a contractual right to claim the new Digital Asset for its own account. We do not monitor for forks or airdrops which are outside of our control and may occur for a variety of reasons, seek airdrops on behalf of Clients, and Digital Asset exchanges and token issuers typically do not notify us if a fork or airdrop were to occur. As a result of the foregoing, Clients may not benefit from Digital Asset provided through airdrops, and Digital Assets subject to forks may be rendered useless or of no or little value.

Digital Assets Miners May Cease to Solve Blocks

If the award of new Digital Assets, as applicable, for solving blocks declines and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce the collective processing power on such Digital Asset network, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make such network more vulnerable to a malicious actor or botnet obtaining control in excess of fifty percent (50%) of the processing power on such network. Any reduction in confidence in the confirmation process or processing power of such network may adversely impact an investment in Digital Asset.

Broker-Dealer Registration

Path is registered as an investment adviser. If Path were deemed to be a broker-dealer, it would be subject to significant additional regulation. This could lead to changes with respect to the Platform, how Digital Assets are listed on the Platform, how Digital Assets listed on the Platform are purchased and sold and other issues, and would greatly increase Path's costs in creating and facilitating transactions in Digital Assets listed on the Platform. It could lead to the suspension and/or termination of the Platform.

In addition, a regulator could take action against Path if it views the Digital Assets listed on the Platform and the Platform itself as a violation of existing law. Any of these outcomes would negatively affect the value of the Digital Assets listed on the Platform and/or could cause Path to suspend and/or cease operations.

State Regulations

Regulation of Digital Assets in the United States varies by state, and the regulations of certain States may limit the ability of Path to operate within those States. Certain States require persons to obtain a license to conduct a Digital Assets business. Accordingly, Path does not intend to operate in States that require such licensing. If an individual is a resident of a State that requires such licensing, that individual will not be permitted to be a Client of Path. If Path were deemed to be conducting an unlicensed Digital Assets business, it would be subject to significant additional regulation and/or regulatory consequences. This could lead to significant changes with respect to Path and the Platform and could greatly increase the operating costs of Path and the Platform.

Different State regulations could affect the transferability of Digital Assets

To the extent that State regulations differ, certain Digital Assets may only be tradable in specific states. This could decrease the demand for and market for Digital Assets.

Tax

Path does not provide tax advice nor is it responsible for tax matters for any of its Clients. The tax characterization of Digital Assets is uncertain. The purchase of Digital Assets may result in adverse tax consequences to a Client, including withholding taxes, income taxes, and tax reporting requirements. Trading of Digital Assets may generate taxable events, even if Clients do not realize gains or make withdrawals of assets from their accounts. Clients are encouraged to consult with their tax advisor, and to review IRS Notice 2014-21 (the "Notice") that sets forth published guidance from the U.S. Internal Revenue Service released in 2014 concerning the consequences of transacting in Digital Assets. If a Digital Assets is characterized as a "virtual currency" for income purposes, then, under the Notice, the general rules applicable to property transactions would apply.

Intellectual Property Rights Claims May Adversely Affect the Operation of Digital Assets Network

Third parties may assert intellectual property claims relating to the operation of Digital Assets and their source code relating to the holding and transfer of such assets. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Digital Asset's long-term viability or the ability of end-users to hold and transfer Digital Assets may adversely affect Client investments. Additionally, a meritorious intellectual property claim could prevent Path and other end-users from accessing the Digital Assets network or holding or transferring their Digital Assets, which could force Path to terminate and liquidate account holdings.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in Digital Assets given the evolving nature, legal and regulatory

environment with respect to Digital Assets and the Digital Asset industry. Prospective Clients should read the entire Brochure that may be provided by us from time-to-time and consult with their own independent, legal, tax, and accounting advisers prior to engaging our services. Past performance is not a guarantee of future returns. Investing in Digital Assets involves a risk of loss that each Client should understand and be willing to bear.

Digital Asset Trading is Volatile and Speculative

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

Item 9: Disciplinary Information

There are currently no legal or disciplinary events to report regarding Path or any of our directors, executive officers, or principals regarding any criminal or civil actions in a domestic, foreign, or military court.

Neither Path nor any of our directors, executive officers, or principals has been involved in any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Neither Path nor any of our directors, executive officers, or principals has been involved in any self-regulatory organization proceedings.

Item 10: Other Financial Industry Activities and Affiliations

Neither Path nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, or a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Path and its access persons do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Path has adopted a Code of Ethics ("Code") consistent with Rule 204A-1 of the Advisers Act that reflects our commitment to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the Clients whose accounts we manage, and that our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, our Code is premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code governs personal transactions by Path employees, compliance with applicable federal securities laws, and the identification and reporting of violations of our Code.

From time to time, Path's employees will utilize the same investments that are available to its Clients for their own Digital Assets accounts and invest in the same Digital Assets that are recommended to Clients. This presents a conflict of interest in that Path and its related persons would have a personal interest in the market for the particular Digital Assets recommended, and thus have an incentive to recommend the same Digital Assets in which Path or a related person has invested, is contemplating investing, or has taken a contrary view of the market. We mitigate such conflicts through our Code which requires that all such transactions must at all times comply with our Code, which places restrictions and/or prohibitions on certain transactions, requires pre-clearance for certain transactions, and mandates periodic reporting of all personal trading and accounts to ensure compliance with our standards.

Clients and prospective Clients can receive a copy of our Code of Ethics upon request by contacting us at compliance@pathcrypto.com.

Item 12: Brokerage Practices

Path will place all trade orders for transactions on behalf of Clients through service providers that meet Path's best execution standards.

In general, Path has authority to select executing parties to be used for Managed Account Client transactions and negotiate commission rates and other payments by Clients. Path selects service providers on the basis of obtaining the best overall terms available, which Path evaluates based on a variety of factors, including, without limitation: (i) financial stability of the service provider; (ii) the service provider's "commission" rates or spread; (iii) the service provider's inventory and availability of the asset in question; (iv) websites and other related services; (v) the size and type of the transaction; (vi) quality of execution; (vii) confidentiality; (viii) the operational facilities of the service provider (including back office efficiency); and (ix) the ability to handle a block orders for assets and distribution capabilities. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting a service provider on the basis of considerations which

are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

Path may, but not will not be required, to aggregate orders or block trades for multiple Accounts when advantageous to Clients, when not favoring certain Accounts over other Accounts and when consistent with the duty of best execution. Path's primary consideration is fair and equitable treatment of all of our Clients, and not simply lowering commissions. Whenever possible, the purchase or sale (execution) price of an asset bought or sold during the same day affected by Coinbase or a similar counterparty will be equitably averaged and aggregated with similar purchases and sales for other Clients, including for related persons.

Path uses research, such as that from the Block and Coinmetrics and may in the future also consider and utilize other service providers. Path currently pays for such research directly from its own account and not pursuant to any "soft dollar" or similar arrangements.

Item 13: Review of Accounts

Path will provide all Clients with continuous access to their Accounts via the Platform. All information relating to Accounts, including account performance and balance, are provided via the Platform. Clients may also receive periodic email communications, notifications or alerts describing portfolio performance, account information or other features or information. Third party service providers are expected to prepare statements showing all transactions and Account balances on a quarterly basis. Path urges Clients to compare such third-party account statements with the information available on the Platform.

Path conducts periodic reviews and monitoring of Client accounts and investments in a manner that is consistent with its fiduciary duty to each Client. To this end, Path generally conducts periodic reviews of Accounts, their investments and assets, or more frequently consisting of more narrow or targeted reviews or in response to certain events or circumstances that have or may have a material effect on a Client's portfolio or all or a subset of investments. In connection with such reviews, we focus on changes in economic, political or market conditions as well as deviations from the Path portfolios, and other reasons.

Item 14: Client Referrals and Other Compensation

The Firm does not have a prospective Client referral program.

Item 15: Custody

Currently, Digital Assets that are not securities are not subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). On the other hand, those Digital Assets that are securities are subject to the Custody Rule.

To the extent that Path is deemed to have custody of Client “funds or securities,” including Digital Asset securities, under the Custody Rule, it is generally required to maintain such assets with qualified custodians, such as certain broker-dealers, banks and trust companies. Details of the custody arrangements for certain portfolio offerings are contained in the applicable Account Documents.

In determining the appropriate custody and security arrangements for a particular Digital Asset, Path will consider the relative ability of such persons to securely safeguard such Digital Assets. A single type of Digital Asset held by Clients may be custodied or secured in different ways and different types of Digital Assets may have different custody or security arrangements. Path conducts due diligence on all third-party wallet, custody or security service providers, prior to utilizing their services, including due diligence on the various measures such service providers utilize to safeguard Digital Assets, applicable accounts and wallets.

For Clients that receive quarterly account statements (or more frequent account statements) directly from a qualified custodian in accordance with the Custody Rule, each such Client should carefully review such account statements. Path will also provide account statements to Clients. Each Client is urged to compare the account statements received from the custodian with account statements received from Path.

On February 15, 2023, the SEC proposed a new “safeguarding rule”, which, if adopted, would revise the current Custody Rule. Under the proposed rule, all client assets, including Digital Assets, would fall within the scope of the safeguarding rule. The scope and timing of the final safeguarding rule is unknown. If adopted, even with modifications, it is expected that the revised rule may have material impacts on Path’s business operations.

Item 16: Investment Discretion

With respect to Managed Account Clients, Path will generally have discretionary power and authority over the types of investments to be bought and sold, as well as the amount to be bought and sold. In addition, Path generally has the authority to select, retain and engage the service providers, counterparties and vendors who provide services to the Accounts. Path also has authority to negotiate the fees, commissions and compensation to be paid or payable to such persons by Accounts.

Path does not have any discretionary power or authority with respect to Self-Directed Account Clients. Self-Directed Account Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of any investment adviser in any particular strategy, including those of Path.

Item 17: Voting Client Securities

Path does not vote proxies on behalf of Clients and does not take any action or render any advice with respect to voting of proxies or any corporate action, legal proceeding or other related matter in connection with the securities in an account. Clients retain the right to vote proxies and take any such action. It is the Client's sole responsibility on whether to vote and how to vote and whether to engage in any matter or legal proceeding.

Some Digital Asset features, including participation in governance activities, may be considered similar to participating in shareholder votes. Though some Digital Asset holders may vote on topics that directly or indirectly affect return on investment through on-chain governance, Path's infrastructure does not support this capability and makes no promise of doing so in the future.

In the event that Path receives a proxy, Path or the Client will direct the Client's custodian to forward any related materials directly to the Client's address on record. In addition, Path does not advise or act for Clients with respect to any legal matters, including bankruptcies and class actions, involving the assets held in a Client's account.

Item 18: Financial Information

Path does not solicit prepayment of advisory fees six months or more in advance. Path has not been the subject of a bankruptcy petition at any time during the past ten years and has no financial condition that is reasonably likely to impair its ability to meet any contractual commitments to Clients.