

Item 1 - Cover Page

Qu Capital Management, LLC

and

Our Relying Advisers: Qu Capital GP, LLC,
Qu Core, LLC, and Qu Exec, Ltd.

875 Third Avenue, Suite 15-55

New York, New York 10022-6225

[\(212\) 203-3894](tel:2122033894)

www.qu.capital

April 3, 2018

This Brochure provides information about the qualifications and business practices of Qu Capital Management, LLC, and together with our Relying Advisers (collectively, the “Adviser” or “we” or “us”). If you have any questions about the contents of this initial Form ADV (this “Brochure”), please contact us at 212-203-3894 or compliance@qu.capital. 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.

The Adviser is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Qu Capital Management, LLC and our Relying Advisers is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

None.

The Adviser is a newly-formed investment adviser filing its initial Brochure with the SEC. In the future, this Item will discuss only specific material changes that apply to our business since the last update of our Brochure.

In accordance with SEC Rules, you will receive a summary of any material changes to this and subsequent Brochures within one hundred twenty (120) days of the close of our fiscal year, which is December 31. We may also provide you with a new Brochure or other ongoing disclosure information about material changes as necessary, without charge.

Item 3 - Table of Contents

Item 1 - Cover Page	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	11
Item 6 - Performance-Based Fees and Side-By-Side Management.....	15
Item 7 - Types of Clients	17
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	18
Item 9 - Disciplinary Information	33
Item 10 - Other Financial Industry Activities and Affiliations	34
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	35
Item 12 - Brokerage Practices.....	37
Item 13 - Review of Accounts	39
Item 14 - Client Referrals and Other Compensation	40
Item 15 - Custody.....	41
Item 16 - Investment Discretion	42
Item 17 - Voting Client Securities	43
Item 18 - Financial Information.....	44

Item 4 - Advisory Business

Who We Are

The Adviser is a New York limited liability company formed on December 5, 2017. We provide investment advice and portfolio management to proprietary funds (each, a “Fund”, and collectively, the “Funds”) that may include parallel funds structured for tax or other reasons to satisfy investor needs. Our “US Feeder” (Qu Capital US Fund, LP) and “Offshore Feeder” (Qu Capital Offshore Fund, Ltd.)¹ Funds will invest all, or substantially all, of their assets through a “master-feeder” fund structure into Qu Capital Digital Assets Fund, Ltd., an exempted company incorporated with limited liability in the Cayman Islands (the “Master Fund”), but may affect cash management activities in their own names. In the future, additional feeder vehicles may be created to invest in the Master Fund; where appropriate, we will also serve as the investment adviser to such additional feeder vehicles. We also manage a proprietary fund called Qu Labs, LLC (“Qu Labs”) that is an “experimental” investment vehicle used to develop and refine trading methodologies and is also expected to be used to attract and retain talent for the group. We have entered into an Investment Management Agreement (“IMA”) with the General Partner (defined below) of the US Feeder and with the “Directors” of the Offshore Feeder and Master Fund (*See* the description of the “Boards of Directors” of the Offshore Feeder and the Master Fund in Item 4, Section A below); the General Partner and the Directors are affiliated with us. *See* discussion of potential conflicts of interest in Item 10, “Other Financial Industry Activities and Affiliations”, below. Under certain circumstances, we may also determine to offer our investment advisory and portfolio management services to separately-managed accounts (“SMAs”).

We also supervise certain affiliated relying advisers (each, a “Relying Adviser”, and collectively, the “Relying Advisers”): Qu Capital GP, LLC, a Delaware limited liability company (the “General Partner”), Qu Core, LLC, a Delaware limited liability company (“Qu Core”) and Qu Exec, Ltd., an exempted company incorporated with limited liability in the Cayman Islands (“Qu Exec”), each of which is deemed to be registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in reliance on our registration in accordance with SEC guidance. The role of each Relying Adviser is discussed below. Capitalized terms not defined in this Brochure are as defined in the Private Placement Memorandum for each Fund.

A. Principal Owners

Qu Capital Management, LLC is wholly owned by the three (3) principal owners identified below. The principal owners of the Adviser are also the principal owners of the General Partner and indirectly the principal owners of the other Relying Advisers, and each are members of the Board of Directors of the Offshore Feeder and the Master Fund. In addition, Qu Core and Qu Exec, which are our technology affiliate and trading affiliate, respectively, for our business operations, are Relying Advisers and wholly owned subsidiaries of the Adviser. The three principals are also limited partners of the US Feeder and Qu Labs. Each of these entities is discussed further, below. This information is provided in lieu of a filing a separate Form ADV, Part 2B.

¹ The Offshore Feeder, an exempted company incorporated with limited liability in the Cayman Islands, was formed to accept investment from tax exempt U.S. investors and non-U.S. investors.

Our principal owners are trained as financial engineers and mathematicians with experience in the digital assets field and high frequency trading. They are Alexander Hayden Price, Lucas Vaughn Schuermann and Edward Yu. The principal owners have assembled an investment management team with expertise in economic theory, applied mathematics, computer science, artificial intelligence and systems engineering.

The background of our three principals are as follows:

a. Alexander Hayden Price

Mr. Price is twenty-one (21) years old. He is currently on voluntary leave as a fourth-year student at Columbia University studying computer science. He previously studied finance at Washington University's Olin Business School. Mr. Price has significant experience in fundamental analysis, investing since age twelve. Concurrently, he has also worked on data engineering at 32 Advisors as well as most recently doing algorithmic trading research at BlackRock's quantitative hedge fund. Mr. Price specializes in blockchain economics, particularly valuing and trading digital assets.

b. Lucas Vaughn Schuermann

Mr. Schuermann is twenty-two (22) years old. He is currently on voluntary leave as a fourth-year student at Columbia University studying computer science. At Columbia, he was named an Egleston Scholar, an award granted to the top one (1%) percent of incoming engineers. Mr. Schuermann previously studied mathematics at the University of Oklahoma in his hometown, beginning classes at age twelve. He has extensive experience in applied mathematics, physics, machine learning, and software engineering. Mr. Schuermann has held research positions in five (5) groups over his seven (7) year academic career and has worked at Wolfram Research, Goldman Sachs Strats and Google's research division, X. He has expertise in launching new ventures through his consulting work with numerous early-stage tech startups and currently specializes in software engineering for machine learning and data science.

c. Edward Yu

Mr. Yu is twenty-two (22) years old. He is an experienced data scientist, mathematician and quantitative trader. Mr. Yu spent his undergraduate years studying applied mathematics at Columbia University, graduating in 2017. While at Columbia, Mr. Yu worked at Facebook, where he developed novel statistical machine learning techniques and built a large-scale anomaly detection system. Since 2015, Mr. Yu has been a machine learning researcher at Columbia University's Data Science Institute under the advisorship of Chris Wiggins, a well-known mathematician and Chief Data Scientist at the New York Times. With Professor Wiggins, Mr. Yu has successfully applied machine learning models to problems ranging from developing intelligent agents that excel at complicated games to producing AI recommendations for cancer treatment.

B. Our Business

Our business is to provide investment advice and portfolio management to the Funds and SMAs (collectively, "Clients") that focus on digital assets, including blockchain technology. We leverage cutting-edge machine learning and artificial intelligence methods, including but not limited to our

proprietary technology, to effect strategic trades in Digital Assets, directed by our market expertise and ability to perform fundamental analysis on this asset class.

Digital Assets

The Funds operate as open-end investment companies with the primary investment objective of gaining appreciation through investing in digital assets (primarily, Bitcoin, Ethereum, and Litecoin and other present and future digital assets) and similar assets (collectively, “Digital Assets”). Digital Assets are distinguished from “fiat currency” (a.k.a. “real currency” “real money” or “national currency”), which is the coin and paper money of a country that is designated as its legal tender, circulated in, and is customarily used and accepted as a medium of exchange in the issuing country (“Fiat Currency”).

Digital Assets also include any type of digital unit used as a medium of exchange or a form of digitally stored value. Digital Assets are not currently issued or guaranteed by any government or jurisdiction, but fulfill the above functions by agreement within the community of users and developers. Digital Assets are broadly construed to include digital units of exchange that: (i) have a centralized repository or administrator; (ii) are decentralized and have no centralized repository or administrator; or (iii) may be created, secured, or obtained by computing or manufacturing effort. For our purposes, Digital Assets do not include any of the following: (1) digital units that (A) are used solely within closed and centralized platforms such as many online gaming platforms, (B) have no market or application outside of those gaming platforms, (C) cannot be converted into, or redeemed for, Fiat Currency or Virtual Currency; (2) digital units that can be redeemed for goods, services, discounts, or purchases as part of a customer affinity or rewards program with the issuer and/or other designated merchants or can be redeemed for digital units in another customer affinity or rewards program, but cannot be converted into, or redeemed for, Fiat Currency or Virtual Currency; or (3) digital units used as part of prepaid cards. Examples of Digital Assets include, but are not limited to: (1) Bitcoin, Dash, Litecoin and other crypto currencies/payment networks, (2) Ether, Neo, EOS and other native smart contract units directly or indirectly used to run decentralized applications, and (3) Golem Network Token, iExec Network Token, Basic Attention Token and other utility tokens that are integral to participating in decentralized applications. While some may classify the aforementioned products as “Virtual Currencies” (and, in certain cases, that designation holds), we believe these products are more aptly described as “Digital Assets” since they tend to derive their value and exhibit trading behavior more similar to commodities or securities rather than Fiat Currencies. Digital Assets may also include stable coins that can correlate to Fiat Currencies, including, for example, e-money, which is a digital representation of Fiat Currency used to electronically transfer value denominated in Fiat Currency.

Blockchain assets are supported by thousands of decentralized nodes across six (6) continents and a multi-billion-dollar mining industry designed to be decentralized and incorruptible. Every change to the blockchain is encrypted, verified by the network, and recorded on the global distributed ledger. Based on our investment recommendations, the Clients we advise invest in assets that combine intelligent algorithmic trading and fundamental market expertise and include such blockchain protocols as Bitcoin, Ethereum, and Litecoin.

Client investments will be made both directly and through other vehicles, and may include other investments in the Digital Asset space. We intend to purchase Digital Assets for our Clients in the

open, spot market across numerous international exchanges. In the future, we may use margin or other financing strategies; at that juncture, we will review any applicable regulatory requirements.

When investing Client assets, we actively manage and rely on algorithmic trading methodologies provided by our affiliated Relying Adviser, Qu Core. Our role is to coordinate trading for our Clients between active management and algorithmic trading based upon our expertise, market conditions and external events. We expect to utilize the services of Qu Exec to affect Client trades as directed by us. Qu Exec has registrations with numerous Digital Asset Exchanges.

Legal Structure

The Funds to which we provide investment advice that accept U.S. Persons as investors are not, and will not be, registered as an investment company in reliance upon Section 3(c)(1) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), which limits each such Fund to no more than one hundred (100) holders. Thus, such Funds are not subject to the investment restrictions, limitations on transactions with affiliates and other restrictive provisions under the Investment Company Act. We may also establish parallel Funds in the Cayman Islands to accommodate the investment, tax and other requirements necessary and appropriate for certain investors. We reserve the right to reject any prospective investor or investment, in whole or in part, for any or no reason in our sole discretion.

The Relying Advisers

Currently, we utilize the services of three (3) Relying Advisers, as defined under the Advisers Act, in providing investment advice to our Clients. We may, in the future, add, change, or remove Relying Advisers as our needs dictate.

The General Partner to the US Feeder since its formation is one of the Relying Advisers. The three (3) principals, who are the principals of the General Partner, are also the directors of the Master Fund and the Offshore Feeder. Based on our investment recommendations, the General Partner (directly or through its principals who act in such capacity as directors of the Master Fund and Offshore Feeder) has full discretionary authority and responsibility to implement the investment objectives and strategies of the US Feeder as set out in the Private Placement Memorandum for the US Feeder, as well as for the Master Fund and the Offshore Feeder.

Qu Core has developed the proprietary trading methodology used in our investment program and is one of our Relying Advisers. It is responsible for the continued development of quantitative trading strategies, including but not limited to quantitative portfolio allocation techniques that will be employed by the Master Fund. Qu Core exclusively licenses its technology to us for use by our Clients. License fees for Qu Core’s technology are included in (i) the “Management Fee” that each Client pays to the Adviser, and (ii) the “Performance Fee” that each Client pays to the General Partner. There is no additional charge to our Clients for the use of Qu Core’s technology. See, Item 5 for further discussion of the Fees and Compensation paid to us for our services.

We will also use the services of our affiliate and Relying Adviser, Qu Exec, to execute trades for all of our Clients, including the Master Fund. Generally speaking, in anticipation of a trade, each Client, through a qualified custodian (the “Custodian”), when available, will transfer Digital Assets registered and held in “cold storage” to Qu Exec; The Kingdom Trust Company serves as our

Custodian. Qu Exec will, using its registered accounts, effect the trades and then immediately allocate the resulting products to the appropriate Client, *i.e.*, our Funds and SMAs; once the trade is completed, the newly-acquired assets are transferred, registered and held by the Custodian, when available, in cold storage.² Qu Exec uses smart order routing across international exchanges to execute its trades.

For efficiency and other market advantageous reasons, Qu Exec will execute all transactions for the Master Fund and our other Clients on a strict first-in-time, first-in-line, order and will keep accurate books and records of all transactions to allocate Digital Assets transactions to the proper Client. The benefit of using Qu Exec to execute all Client trades is multi-fold, including economies of scale, anonymity for our Clients and leveraging of prior trading history. We expect that Qu Exec will trade Digital Assets and Fiat Currencies for the Master Fund along with assets belonging to other Clients and investments managed or to be managed by us. Qu Exec will be responsible to allocate Digital Assets properly to each Client. Qu Exec may, in the future, earn management fees from other, unaffiliated investment advisers that use its services.

Qu Labs

We also advise an entity called Qu Labs, a proprietary investment company exempt from registration under Section 3(c)(1) of the Investment Company Act. Investment in Qu Labs is limited to the members of the General Partner and Adviser and their affiliates, consultants and their employees. Qu Labs is intended to serve as an “experimental” vehicle used by us to develop and refine algorithmic trading methodologies that are both scalable and meet the investment criteria of the Master Fund and our Clients. We expect that Qu Labs will engage in high-risk and volatile activities, the results of which will assist us in refining and augmenting the algorithms and methodologies implemented by Qu Core.

Qu Labs is funded exclusively by the principals, the General Partner and Adviser and their affiliates, consultants and their employees. In Qu Labs, the Adviser will test novel strategies that may not meet the investment criteria and strategies applicable and may be inappropriate and/or too aggressive for our other Clients. We believe that by providing a venue to test novel strategies and products, and solve challenging and unique problems, we can attract top programming experts in the Digital Assets field. A substantial portion of the profits from Qu Labs will be allocated to incentivize employees.

In appropriate circumstances, we may determine that a particular strategy and/or product developed with Qu Labs will result in a scalable methodology that meets the investment criteria of one or more of our Clients. Pursuant to the terms of the IMA, that intellectual property would then be transferred to Qu Core, without charge, to allow our other Clients to benefit from the new strategy and/or product.

² Each Custodian sets its own protocols and determines which Digital Assets it will accept in custody. Digital Assets not accepted by the Custodian shall be held in cold storage by the Client in accordance with our policies and procedures.

As stated above, each of the General Partner, Qu Core, and Qu Exec are Relying Advisers, as that term is used in the Advisers Act, that rely on and are subject to the registration and compliance procedures of the Adviser. A pictorial rendering of the ownership and Fund structure is set forth at the end of this Item 4.

C. Custom Advisory Services

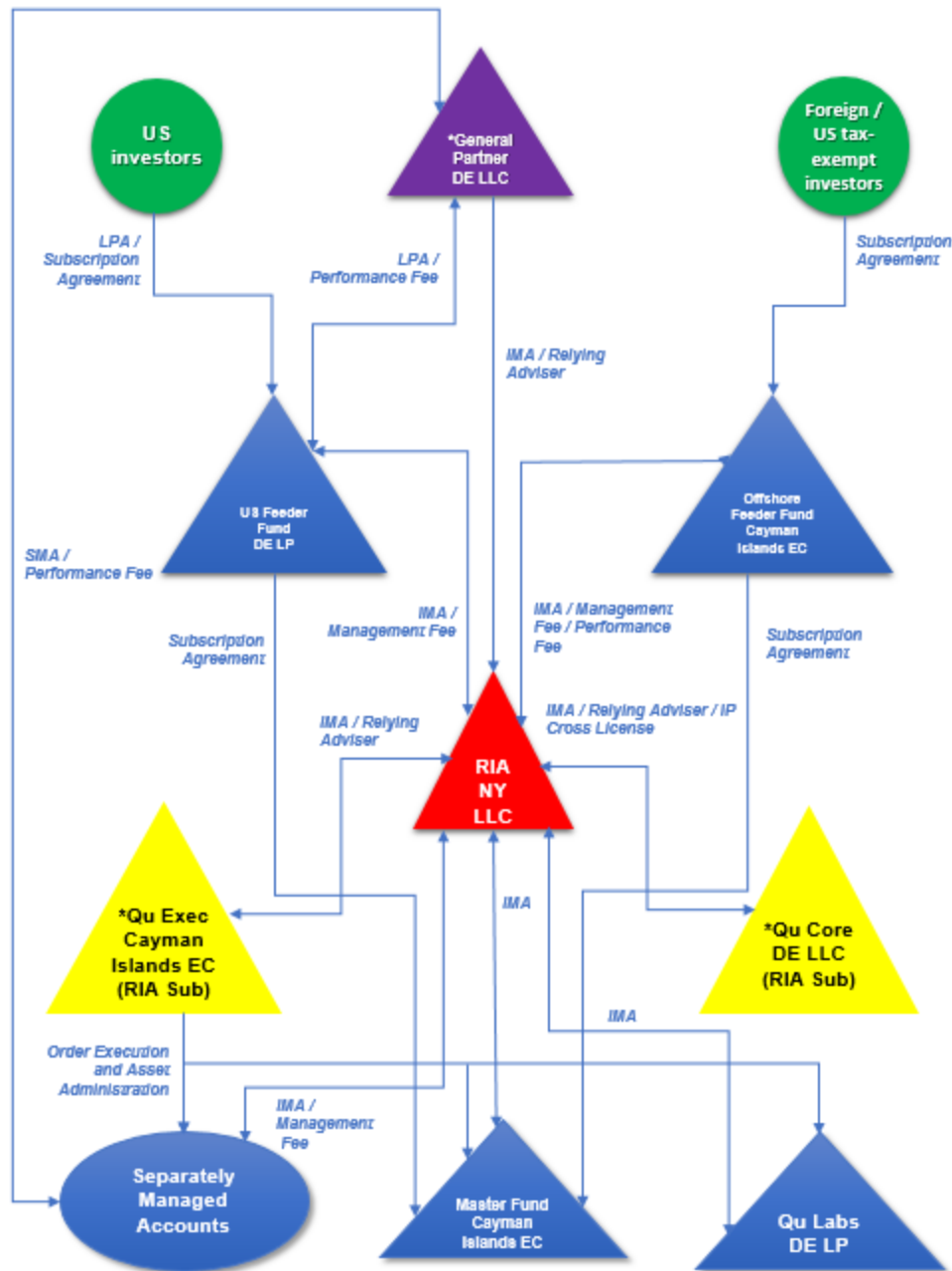
In appropriate circumstances, we are prepared to offer custom advisory services to SMAs as stand-alone investments in Digital Assets in accordance with Client mandates. From time-to-time, this may also include side-by-side investments by the SMAs with our Funds.

D. Wrap-fee Programs

N/A.

E. Assets Under Management (“AUM”)

We expect to manage twenty-five million (\$25,000,000) dollars in regulatory AUM within one hundred twenty (120) days of filing this Brochure, all on a discretionary basis.



* Relying Adviser

Item 5 - Fees and Compensation

A. Fee Structure

All fees are subject to negotiation. The specific manner in which fees are charged by us and the General Partner and whether they may be waived or modified (including, without limitation, by means of a rebate) is established in the Private Placement Memorandum for each Fund, in side-letters with specific limited partners, if any, and in the investment advisory agreement (“IAA”) with each SMA. We generally bill our management fees on a monthly basis and performance fees on an annual basis, in each case, in arrears following each applicable “Valuation Period”.

For purposes of this Item 5, Valuation Period means, as appropriate, the fiscal year or calendar month of a Client. “Valuation Point” means the close of business, 4:00 P.M. Eastern Time (ET), the on last day of each Valuation Period. If a contribution is made at any time other than the first day of such Valuation Period, then the Valuation Period shall be the period commencing on the date of such contribution and end on the last day of the ordinary Valuation Period in which such contribution is made. If a withdrawal is made at any time other than as of the last day of such Valuation Period, then the Valuation Period shall commence on the ordinary first day of the applicable Valuation Period and end on the date of such withdrawal.

B. Management Fee

We charge a Management Fee equal to the greater of (i) two (2%) percent per annum of each Limited Partner’s Capital Account or (ii) one (1%) percent per annum of each Limited Partner’s aggregated Capital Contributions, in either case determined as of the Valuation Point for each monthly Valuation Period, and payable in arrears promptly following the close of each Valuation Period. The Management Fee will be charged monthly on a *pro rata* basis to the Capital Accounts of the Limited Partners. We receive Management Fees irrespective of the performance results. Thus, an investor may lose money but still be assessed Management Fees. Since the US Feeder and the Offshore Feeder both pay Management Fees to the Adviser, there is no additional Management Fee due to the Adviser from the Master Fund. We may, in our sole and absolute discretion, waive or reduce the Management Fee charged to an investor; such waivers or reductions will not increase the Management Fees paid by other investors.

We do not reduce our fees to offset the commissions charged by Digital Asset Exchanges and such fees are expenses of the Clients. Such Digital Asset Exchanges are operated by independent third parties. Although we will attempt to negotiate the lowest fees for each transaction, there are many factors that determine the fees charged by such Digital Asset Exchanges, including, without limitation, whether a particular form of Digital Asset is available at the time of the particular transaction, overall market demand and market price fluctuations.

Management Fees are prorated for each Capital Contribution and withdrawal made during the applicable Valuation Period (with the exception of small contributions and withdrawals, if permitted by the General Partner of a particular Fund). Accounts initiated or terminated during a Valuation Period will be charged a prorated fee. Upon termination of any account, in the unlikely event that there are prepaid or unearned Management Fees (unlikely because fees are charged in arrears), such amounts will be promptly refunded.

C. Performance Fee and Subscription Fee

The Adviser does not charge performance fees or subscription fees. Under the Private Placement Memorandum for each Fund, the General Partner will receive (i) an annual Performance Fee equal to twenty (20%) percent of the net profits initially allocated to each Limited Partner for any Fiscal Year, provided that any losses previously allocated to such Limited Partner for any prior period or periods have first been fully recovered (a “high water mark” basis) and (ii) a subscription fee equal to one (1%) percent of all accepted subscriptions (the “Subscription Fee”). Upon termination of any account, any earned, unpaid Performance Fees will be due and payable to the General Partner.

See also Item 6, concerning “Performance Fees”, below.

D. Failure to Pay Fees

To the extent that there is insufficient cash available to pay any Fund’s expenses, the Management Fee or the Performance Fee in full, the General Partner, in its sole discretion, (i) may lend the amounts to such Fund or allow such Fund to borrow from an affiliated entity with interest accruing to the lender at three (3%) percent per annum, and/or (ii) the expenses or fee may be accrued as a debt of such Fund, with interest accruing to any affiliated lender at three (3%) percent per annum. Interest charged by any unaffiliated creditor will be separately negotiated with such persons.

E. Valuations

The General Partner or Directors of each Fund and manager of each SMA will coordinate with Trident Trust Company (Cayman) Limited (the “Administrator”) to value most Digital Asset investments, except in certain limited circumstances, such as the valuation of privately offered Digital Assets for which there is no public market, and where the General Partner has certain elements of discretion in determining the valuation. The Administrator will also assist in determining the NAV for each Client as of the last day of each month and annually, including the annual calculation of realized and unrealized gains and losses, and any loss carry forwards. Valuation procedures are set forth in the applicable private placement memorandum and limited partnership agreement or bylaws for each Fund.

In certain circumstances, other valuation procedures may be used in accordance with Client mandates as set forth in their respective offering documents, IMA or IAA.

F. Deduction of Fees

All fees and expenses are deducted (generally, in arrears) from Clients’ investment account in accordance with the terms and conditions set forth in the limited partnership agreement or bylaws, as applicable for each Fund or as set forth in the IAA with each SMA.

G. Other Types of Fees or Expenses

Each Client is responsible (directly, indirectly or by reimbursing us or the General Partner) for all expenses incurred in the buying, selling and holding of Digital Assets and other investments. These fees include, without limitation, all custody, accounting, transfer and legal fees, government fees and expenses, Digital Asset Exchange fees, interest expense, investment-related expenses, the

Clients' share of legal and accounting fees, and expenses associated with the continued offering of equity (excluding, however, any placement fees) in a Fund (the "Interests"). These fees are non-refundable, even if an investor terminates its account. Such charges, fees and commissions are exclusive of, and in addition to the Management and Performance Fees. We do not receive any portion of these commissions, fees, and costs. The General Partner will assume the payment of all other operating expenses of the Clients, as well as its overhead and operating expenses.

Item 12, "Brokerage Practices", below, further describes the factors that we consider in selecting or recommending Digital Asset Exchanges for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

H. Fees Are Paid in Arrears

Management Fees are payable in arrears, as described above.

I. Transaction-Based Compensation

Our "Access Persons", persons who make investment recommendations and have access to nonpublic information, do not receive or accept transaction-based compensation.

POTENTIAL CONFLICTS OF INTEREST

We, with the assistance of Qu Exec, have the authority to select those Digital Asset Exchanges that will execute Digital Asset transactions on behalf of our Funds. Our intent is to select those Digital Asset Exchanges that will provide best execution services to our Clients. We will base our selection of Digital Asset Exchanges upon such factors as the price, availability and depth of offer of Digital Assets on the exchange, the exchange's financial condition, its execution capabilities, diversification considerations, price improvement, liquidity enhancement, avoidance of partial fills, execution speed, the reasonableness and periodic calibration of fees, execution costs, and the quality and general level of service available from the Digital Asset Exchange.

Since Digital Asset Exchanges are independently owned and the market price of any particular Digital Asset is beyond our control, we do not believe we incur the risk of a conflict of interest in acquiring or selling Digital Assets for our Clients. Should we be unable to acquire all the Digital Assets we wish in a particular transaction or series of concurrent or closely-timed transactions, we will allocate our purchases among the participating Clients on a *pro rata* basis and at an average price. In such a situation, entities or individuals affiliated with us will not be allowed to make purchases or sales in a particular Digital Asset unless there is excess capacity in that particular Digital Asset investment opportunity.

Potential conflicts of interest may also arise when Performance Fees are earned by the General Partner because these fees are calculated based on the Clients' performance, including, without limitation, on realized and unrealized gains and losses. This creates the risk that we may overvalue our Clients' holdings. To mitigate this risk, as described above, the Administrator will calculate the NAV of each Client as of the last day of each Valuation Period (subject to the General Partner's overall responsibility), including the calculation of realized and unrealized gains and losses, and any loss carry forwards.

The Adviser also manages Qu Labs investments. Qu Labs, while using different strategies, will be concurrently invested in Digital Assets, and may hold the same Digital Assets as our other Clients. We have installed information walls to keep trading for Qu Labs separate from trading for our other Clients.

Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss”, further describes the various potential conflicts of interest.

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

A. Performance Fees and Subscription Fees

We do not charge our Clients performance-based fees. However, Performance Fees are charged by the General Partner, based on a share of capital gains on or capital appreciation of the assets of each Client. The General Partner earns Performance Fees when authorized by the Advisers Act and as provided under the Private Placement Memorandum for each Fund or the IAA for each SMA.

The General Partner also receives a Subscription Fee equal to one (1%) percent of all accepted investor subscriptions. This fee is used first to pay any Client organizational expenses, and then to cover General Partner expenses such as placement agent fees, if any. The Clients will only be charged organizational fees if and to the extent that Subscription Fees are inadequate to cover those costs. Clients will not be charged any placement agent fees; all such fees shall be borne by the General Partner from its own assets.

The General Partner is a Relying Adviser, as that term is used in the Advisers Act.

B. Potential Conflicts of Interest When Charging Performance Fees Generally

Performance-based fee arrangements may create an incentive to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. The inclusion of unrealized gains when calculating the Performance Fees may also increase the amount earned for such Performance Fee.

C. Side-by-Side Management

We expect to provide investment advice and portfolio management to multiple funds and SMAs. We, our principals and their respective affiliates may serve as investment advisers or advisors to other investment funds and managed accounts in the future, certain of which may employ investment strategies that are substantially similar to the investment strategy that we employ for our Clients. Some of these arrangements may also involve the use of separately-negotiated side letters to customize fees and certain terms and conditions concerning the investment advice we provide. This creates the potential risk of conflicts of interest because we may favor one type of Client over another in the allocation of investment opportunities, particularly where differing fee structures for each Client have been negotiated. An additional risk potentially exists, because our affiliates and their employees have the right to invest in our investment products and/or individually in Digital Asset products. As an emerging asset class, the market price and availability of Digital Assets are subject to high volatility and any market order placed affects both market price and availability.

Our fiduciary obligations require us to place Client interests over our own interests, treat all Clients equitably and disclose all material facts to our Clients and investors. To help mitigate these potential conflicts, we have implemented policies and procedures designed to monitor such risks on an ongoing basis. We generally allocate purchases and sales on a *pro rata* basis for the benefit

of our investors and if a market order cannot be fulfilled for our investors, we will not allocate purchases or sales to any of our affiliates' accounts. We will generally allocate such market order to Clients in an equitable manner. We will periodically review such allocations to monitor whether such allocation methodologies are consistently achieving equitable results.

Item 7 - Types of Clients

We provide portfolio management services to our sponsored Funds and, in appropriate circumstances, to stand-alone investments in SMAs. Investors in our Funds and/or stand-alone investments in SMAs may include U.S. and non-U.S. institutional investors, and U.S. non-taxable investors, family offices, sovereign wealth funds and/or high net worth individuals (“accredited investors” and “qualified clients”). Our principals and “Knowledgeable Employees” of the Adviser and its affiliates may elect to co-invest in the Funds or in stand-alone investments.

We have a minimum investment requirement of two hundred fifty thousand (\$250,000) dollars to open an investment in our Funds. Additional Capital Contributions may be made in minimum amounts of twenty-five thousand (\$25,000) dollars. Any minimum investment amount may be waived by the General Partner to the US Feeder or Clients or by the Directors to the Offshore Feeder or non-U.S. Clients. Investment criteria for establishing an SMA are separately negotiated, but will likely exceed the investment minimum established for our Funds.

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

INVESTING IN DIGITAL ASSETS INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.

A. Methods of Analysis and Investment Strategies

Each Client's investment objective is to generate superior risk adjusted returns through exposure to Digital Assets. Our Funds operate as open-end investment companies that invest in Digital Assets (primarily, Bitcoin, Ethereum, and Litecoin and other present and future Digital Assets) and similar assets, both directly and through other vehicles, as well as making other investments in the global blockchain economy. Client investments will be made both directly and through other vehicles, and may include other investments in the Digital Asset space. We manage assets solely on a discretionary basis. The term "trading" includes, but is not limited to, any investment in, divestment of, exchange for value or other commercial transaction for or with Digital Assets with third parties.

We construct each Client's Digital Asset portfolio by using active management and algorithmic trading methods. As part of this approach, we select assets for inclusion in the portfolio by analyzing various fundamental factors. These factors include, but are not limited to, both technical components such as network adoption rates, protocol design choices, market capitalization, daily trading volume, general market conditions and similar factors, together with qualitative components such as developer adoption and sentiment, core developer reputation, roadmap and vision, strategic partnerships and similar components. After we review these fundamental factors and components and determine the investable asset universe of the portfolio, we allocate our investment between those assets using various statistical methods and quantitative trading strategies developed in our proprietary technology company, Qu Core, by its quantitative research and engineering teams. Each Client will be launched based upon Qu Core's proprietary machine-learned quantitative models but the investment strategy may be supplemented in the future with active management to best fulfill the investment objective of such Client. This enables us to evaluate trading opportunities on a global basis, allowing us to rebalance our Clients' portfolios as and when necessary based on both qualitative and quantitative factors.

While we expect that the majority of our Client portfolios will follow the algorithmic approaches developed by Qu Core, we may allocate funds outside of this program to capture investment opportunities in the Digital Asset ecosystem that deviate from our algorithmic trading methodologies that have attractive risk-to-reward profiles to capture opportunistic gains. Such opportunities fall under our "active management" program.

Implementation will take place on established Digital Asset Exchanges, aggregators, OTC, decentralized exchange protocols, aggregators through other funds and any other current or future mechanisms. We intend to purchase Digital Assets for our Clients in the open, spot market across numerous international exchanges. In the future, we may use margin or other financing strategies; at that juncture, we will review any applicable regulatory requirements. Currently, we trade on five (5) Digital Asset Exchanges, but we expect the trading platforms will change to meet our Clients' investment objectives. Holding periods for a Client's portfolio positions may vary substantially, with anticipated holding periods of long-term positions generally in excess of one (1) year, as well as shorter-term trading situations with a duration of several months or less.

Although the Digital Assets in which our Clients trade are still immature and underdeveloped relative to most established asset classes such as FX or developed economy debt or equity markets, we intend to navigate this class of investments with careful thought, consideration, and technical expertise to try to enable our Clients to capture the expected significant upside as this asset class matures. We expect to guide our Clients to operate within this Digital Asset class to optimize their Sharpe Ratio by selecting holdings to increase investor return while still maintaining a diversified portfolio of Digital Assets to reduce risk (albeit, diversified only within a small universe of trusted Digital Assets).

Under normal circumstances, the major portion of each Client's investment portfolio will consist of Digital Assets, with complementary assets held in Fiat Currency, Fiat Currency equivalents (stable coins or money market instruments), derivatives, commodities, bonds or other fixed-income securities (the "Complementary Assets"). At any time, however, if, in our view, the market or economic conditions suggest that our Clients' assets should be entirely invested in Digital Assets or entirely in the Complementary Assets, we will establish the proper accounts to execute those trades.

Although we intend to concentrate primarily on the Digital Assets referenced in any Fund's Private Placement Memorandum, such Fund may also invest, if deemed warranted, in Digital Assets, or other assets not listed therein if such assets are consistent with such Fund's investment objectives and strategies. No Fund we advise is subject to the portfolio diversification requirements that are applicable to mutual funds, and we will not necessarily seek to diversify a Fund's investments according to any particular limitations on concentration. While we recognize that diversification may reduce investment risk, concentration may increase the possibility of capital appreciation, and a Fund's portfolio may be more or less concentrated as to the number or size of positions based on our assessment as to the prudence of doing so at any particular time. Any increased concentration in a Fund's portfolio may also increase its volatility.

As stated above, we expect to leverage two primary methodologies to fulfill our Clients' investment mandates, blending active management with our proprietary algorithmic trading methodologies. We periodically adjust the allocation of our Clients' assets based on our expectations for each program. In any event, we expect to rebalance Client portfolios periodically, based upon our evaluation of portfolio volatility and expectations for market movements. If appropriate, we may also, from time to time, use the services of one or more unaffiliated consulting firms to provide research, investment data and portfolio management services to our Clients; the fees of such service providers will be charged to, or fairly shared by, the Clients using such services.

We expect to employ a principled statistical approach to trading; however, due to the rapidly-evolving and dynamic nature of this asset class, we reserve the right to deviate from this trading style to react expeditiously to market events and changes in fundamental value drivers pertaining to the Digital Assets traded by our Clients, primarily at the discretion of the investment team. Examples of these fundamental value drivers include, but are not limited to, the number of network participants, size of mining community (if applicable), type of consensus algorithm implemented, number of developers working on the protocol or decentralized applications (dApps) built on top, changes in community leadership, technical and ideological implications of planned forks, and similar value drivers. Our investment objective for each Client focuses on optimizing exposure to a basket of the most established existing Digital Assets, often but not always determined by market

capitalization as well as the quality of project design decisions, implementation and the members involved.

As discussed further below in Item 8, “Material Risks”, we may use leverage to increase the amount of capital available for investment or for liquidity purposes. Additionally, we may hedge exposures to the Digital Assets market or specific Digital Assets if we so determine. It is our intent to use these mechanisms and strategies consistent with any Client’s investment objectives and strategies.

We reserve the right to alter, as we deem appropriate, any Fund’s investment strategies from time to time without approval by, or prior notice to, the General Partner, or Limited Partners of the Fund. The descriptions of specific activities that may be engaged in by the Funds should not be construed as in any way limiting any Fund’s investment activities. We may recommend that a particular Client engage in investment activities we consider appropriate and are consistent with such Clients’ investment objectives and strategies, but are not described in the applicable Fund Agreements or IAA with a SMA. We may further recommend that a particular Client not engage in one or more of the strategies discussed above at any particular time, and/or may cease using any or all of such strategies if market conditions warrant such action.

B. Material Risks

An investment in any of Clients involves substantial risk and there is no guarantee against loss. Returns generated from a Client’s investments may not adequately compensate investors for the business and financial risks assumed. Each Client is subject to market risks common to investing in Digital Assets, including market volatility, possible government regulation and the particular risks of investing in the types of Digital Assets referenced in the particular Fund’s Private Placement Memorandum or possibly referenced in an IAA. In addition, certain investment and trading techniques employed by us may increase the adverse impact to which a Client’s investment portfolio may be subject. Prospective investors should consider, among other matters, the following risks when considering an investment in a Fund or establishing an SMA.

The Funds and SMAs are designed for investors who seek to invest in Digital Assets, but do not require regular current income, and who can accept a high degree of risk in their investments. For the reasons stated in this Brochure, investment in our products is speculative in nature and is not intended to be a comprehensive investment program. We plan to navigate our Client investments through this new and volatile asset class with active management and proprietary and other engineering expertise. Each Fund and SMA (if so provided in its IAA) expects to hold a diversified portfolio of more established Digital Assets within this limited class of investments, but is effectively concentrated in a single class of investments. Our Client products are intended for investment solely by sophisticated investors who are accustomed to, and fully understand the risks of, such investments.

1. Limited Operating History; Limited Experience of the Adviser

Our Funds are each a recently formed investment vehicle, as we only commenced operations in 2018, and no Fund has an operating history upon which potential investors may evaluate its future performance. The success of each Client is substantially dependent upon its General Partner, the

Adviser, and the skills of their respective employees; an SMA is likewise relying on the skills of the Adviser and its employees. Although such persons have had experience in buying and selling Digital Assets, our Funds are the first instance in which the General Partner, the Adviser, and their respective employees, as applicable, have been responsible for an investment vehicle such as a Fund. As a recently formed enterprise, our Funds are subject to the typical risks attendant to any new business with no operating history.

The principals and affiliates of the Adviser have been successful on a relatively small-scale purchasing, managing and trading Digital Assets. There can be no assurances that the algorithms and systems built by the Adviser, Qu Core and Qu Exec will be effective or scalable to manage the capacity and trading activity of each Client as it grows.

2. Dependence on the Adviser

The Adviser is responsible for making investment decisions and conducting the trading activities for each Client. The efforts of the Adviser will be critical for the success of each Client. Limited Partners of the various Funds and investors in the SMAs do not have the opportunity to evaluate fully for themselves the relevant economic, financial, and other information regarding any Client's investments, and are dependent on the decisions of the Adviser. There is no assurance that the Adviser will be successful. **Accordingly, no prospective investor should purchase an Interest or invest in a SMA unless such investor is willing to entrust all aspects of such Fund's and/or SMA's investment and trading strategies to the Adviser.**

3. Dependence on Qu Core

Given the complexity of the investments and strategies, the Adviser relies heavily on proprietary quantitative models and, where appropriate, information and data collected from third parties (collectively, "Models and Data"). Models and Data are used to construct sets of transactions and investments, to provide risk management insights, and to assist in hedging the Clients' investments. All models rely on correct market data inputs. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose our Clients to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Some of the models used by the Adviser for our Clients are predictive in nature. The use of predictive models has inherent risks. Because predictive models are usually constructed based on historical and real-time data collected from third parties, relying on such models may depend heavily on the accuracy and reliability of the obtained data. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. Moreover, even if market data is input correctly, "model prices" will often differ substantially from market prices.

4. The Adviser Maintains Other Business Interests

We, the General Partner, our affiliates and our respective employees are also engaged in other business activities. When engaging in these other activities and business interests, we and they may perform investment-related activities for other persons, including providing investment recommendations to such persons, including Qu Labs, our proprietary Fund. *See* Item 10, "Other Financial Industry Activities and Affiliations", below.

5. Risks Relating to Investment Strategy

There are investment risks inherent in each Client's investment policies and techniques. Such risks include the following:

a. Concentration Risk

Our Clients are not subject to any limitations as to the relative size of any investment each may make, or position each may hold, either in a specific Digital Asset or in the Complementary Assets. As a result, each Client may, at certain times, hold large positions in a relatively limited number of investments. A Client could be subject to significant losses if it holds a relatively large position in a single Digital Asset or Complementary Asset that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. This risk can be especially significant given the generally limited liquidity of most Digital Assets. Such concentration necessarily increases the degree of a Client's exposure to a variety of issuer-related and market risks.

b. Market Risk

An investment in each Client will be subject to investment risk, including the possible loss of all or a substantial part of a Limited Partner's or investor's entire investment. As with all investments, the value of the investments will fluctuate with market or Digital Asset-specific conditions. Digital Assets are still a dynamic and experimental technology that have proven potential for high yield yet also large volatility and sustained price drops. As a result, the value of the Interests will fluctuate, perhaps significantly, given the greater volatility of market prices of Digital Assets, and which, if redeemed, may be worth more or less than their original value.

c. Strategy Risk

At any time, it is possible and likely that our strategies may result in the execution of undesirable positions. There is no guarantee that the Adviser's strategies will continue to outperform the returns of any other benchmark or investment portfolio over any time horizon. **The Adviser's trading strategies are speculative and risky and the Digital Asset markets in which we trade are highly volatile, which could cause substantial losses to our Clients.**

We intend to trade Digital Assets for our Clients. Trading in Digital Assets is highly speculative and subject to substantial risks, including, but not limited to the risks discussed in this Item 8. The Adviser's trading methods (regardless of the nature of the method) may not take account of the risk factors discussed in this Item 8.

d. Forwards, Swaps, Repos and Other Derivatives

The Adviser may utilize forwards, swap contracts repurchase agreements and other over-the-counter derivative instruments. Principal risks relating to the use of forwards and other such derivatives include, in the case of hedging strategies, the possible imperfect correlation between the derivative and the market value of the securities, currencies or other commodity position intended to be hedged; losses magnified by the degree of leverage represented by the derivative; lack of a liquid secondary market for closing out the position; losses resulting from interest rate or currency movements not anticipated by the Adviser; and the risk of counterparty default.

The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order to either realize gains or to limit losses. Additionally, many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price that the same dealers would actually be willing to pay for such derivative should the Adviser be required to sell such position may be materially different. Such differences can result in an overstatement of the net asset value of a Client, and may have a materially adverse effect on such Client, if required to sell derivative instruments in order to raise funds for margin purposes or to pay withdrawals.

The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical patterns, resulting in unanticipated losses. The stability and liquidity of forwards, swaps, repurchase agreements, and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transaction. If there is a default by the counterparty to a transaction, a Client may have contractual remedies pursuant to the agreements related to the transaction; however, exercising such contractual rights may involve delays or costs, or may not be successful, which could adversely affect such Client. It is possible that in the event of a counterparty credit default, a Client may not be able to recover all or a portion of their investment in such derivative instrument and may be exposed to additional liability (*i.e.*, the obligations associated with what has become an unhedged position).

e. Short-Term Trading; Transaction Costs

Our investment strategy may involve a high rate of trading activity resulting in correspondingly high transaction costs for our Clients, including substantial Digital Asset Exchange fees, and other transaction costs, which could have an adverse effect on such Client's performance. The transaction costs could amount to a significant portion of a Client's assets. Investors are therefore at risk that these costs could significantly reduce investment returns or increase investment losses.

f. Digital Asset Exchange Risk

We may execute trades for our Clients across numerous Digital Asset Exchanges, Digital Asset aggregators, OTC, decentralized exchange protocols, through other funds and any other current or future mechanisms. It is possible that, during the process to transfer asset ownership, it may be necessary to make an exchange, during which a Client may permanently lose ownership of some or all of its holdings involved in that trade. Digital Asset Exchanges may be taken down for maintenance due to the immense volume of trading that occurs on its platform and/or heavy denial-of-service (DDoS) attacks, meaning its servers may have been intentionally flooded with junk

online requests, taking down its website and halting its services. As such, it is possible that a Client may be prevented from acquiring certain Digital Assets for its portfolio at the time, and for the amount, it intended.

Additionally, we often employ algorithms to make trades for our Clients. Faulty code may result in incomplete or compromised execution, potentially resulting in loss of capital. If the algorithm sends Digital Assets to the wrong address, the transaction is irreversible and such Digital Assets may not be recovered.

g. Digital Asset Risk

Digital Assets have unique inherent risks. While achieving value since 2009, they are still a dynamic and experimental technology. They have proven potential for providing high returns yet also large volatility and sustained price drops. It is always possible that some or all of a Client's holdings could be significantly devalued or compromised as a result of regulation. Government regulation in any country may affect demand and accessibility to Digital Assets and cause a change in valuation. Additional Digital Asset specific risk factors include, but are not limited to, adoption rates, the maintenance and development of the open-source software protocol of Digital Assets, participation by various speculators and market manipulators, general economic conditions, electricity and computing power prices and availability, negative perception of Digital Assets, availability or lack of availability of Digital Assets, breakthroughs or disruptions in the underlying cryptographic mechanisms securing these assets, the use of Digital Asset networks as a smart contracts platform, investors' expectations with respect to the rate of inflation of Fiat Currencies, investors' expectations with respect to the rate of inflation of Digital Assets, interest rates, currency exchange rates, including the rates at which Digital Assets may be exchanged for Fiat Currencies, Fiat Currency withdrawal and deposit policies of the Digital Asset Exchanges and liquidity on the Digital Asset Exchanges, interruptions in service from or failures of major Digital Asset Exchanges, investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in Digital Assets, monetary policies of governments, trade restrictions, currency devaluations and revaluations, regulatory measures, if any, that restrict the use of Digital Assets as a form of payment or the purchase of Digital Assets on Digital Asset Exchanges, or that restrict the investment in or use of Digital Assets by regulated entities including, but not limited to, regulated financial institutions, increased competition from other forms of Digital Assets or payment services, and expectations among Digital Assets economy participants that the value of Digital Assets will soon change.

h. Loss or Compromise of Private Key

Each Client will hold Digital Assets in hardware wallets distributed by two (2) well-known providers with established histories of building secure hardware wallets that are used by thousands of individuals around the world to secure billions of dollars' worth of Digital Assets. To the extent a private key is lost, destroyed or otherwise compromised, and no backup of the private key is accessible, a Client will be unable to access the Digital Assets held in the related digital wallet and the private key will not be capable of being restored by a Digital Asset Exchange. In addition, should any breach of security compromise the private keys to such hardware wallets, there is a risk that third parties could transact in a Client's Digital Assets without authorization, resulting in such Client being unable to access its Digital Assets. Any loss or theft of private keys relating to digital

wallets used to store a Client's Digital Assets could adversely affect investors' investment. Although arrangements for Digital Assets are limited, we intend to use qualified custodians to the extent available and feasible with our investment program. We expect greater use of qualified custodians as the market for such services develops. All Client assets will nevertheless remain subject to financial audit by a PCAOB certified accounting firm.

i. Conversion Risk

In balancing portfolio risks, and in response to market conditions, we reserve the right to invest in Fiat Currencies and other Complementary Assets. Conversion of Digital Assets to Fiat Currencies or Complementary Assets will have exposure to fluctuations in currency exchange rates where exchanges are denominated, particularly in currencies other than U.S. dollars. We may, in part, seek to offset Clients' risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are affected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, possibly within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. Prior to executing any such trades, however, we will ensure that we have appropriate accounts and regulatory protections in place.

j. Operational Risks

Our recommended strategies may be dependent on systems including blockchain and the Internet. Although mechanisms to alert us to potential errors or failures before they occur may be built in to our systems and checks may be used, errors are possible that can result in substantial investment loss. Further, while positions can be monitored and liquidated in the event that systems are inoperable, disruption in the operational infrastructure can result in substantial investment loss.

The trading activities we execute, including their risk management strategies, depend on the integrity and performance of Qu Exec and Qu Core and the computer and communications systems supporting them. Extraordinary transaction volume, human error, hardware or software failure, power or telecommunications failure, a natural disaster or other catastrophe could cause Qu Core's or Qu Exec's computer systems to operate at an unacceptably slow speed or even fail. Any significant degradation or failure of the systems that we and our Relying Advisers use to gather and analyze information, enter orders, process data, monitor risk levels and otherwise engage in trading activities may result in substantial losses on transactions, liability to other parties, lost profit opportunities, damages to our and our Clients' reputations, increased operational expenses and the costly diversion of resources.

k. Master-Feeder Fund Structure Risk

Each of the US Feeder and the Offshore Feeder will invest, together with certain other entities, all, or substantially all, of its assets through a "master-feeder" fund structure in the Master Fund. A "master-feeder" fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment

vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher *pro rata* operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, possibly resulting in increased portfolio risk for a Client. Substantial withdrawals of capital by investors in the Master Fund, including each Client and other “feeder” funds, over a short time period could necessitate the liquidation of positions at a time and in a manner that does not provide the most economic advantage to the Master Fund and, therefore, could adversely affect the value of the Master Fund’s assets.

7. Use of Leverage

We may, but do not currently intend to, use leverage to augment Clients’ financial returns. Leverage generally involves the use of borrowed funds to increase the amount of capital available for investment purposes. We may utilize leverage on a moderate to extensive basis to increase the amount of capital available for Clients’ investment or for liquidity purposes. In addition, a Fund may borrow on a temporary basis to facilitate redemptions.

Through the use of leverage, a Client may obtain additional (borrowed) capital in an amount significantly greater than that Client’s existing capital. We, as the Adviser, will determine, in our sole discretion (subject to any credit limitations imposed by lenders and/or counterparties), the actual amount of leverage to be borrowed by each Client, which amount is likely to vary over time. Such varying amounts of leverage may be expected to have a material impact on such Client’s performance, as well as its risk of loss.

As a condition to providing a Client with additional capital, that Client’s lenders (“Lenders”) may require such Client to pledge all or a substantial portion of such Client’s assets as collateral. In addition, Lenders may impose various covenants and restrictions on such Client as a result of which they may exercise a substantial degree of control over such Client’s investment activities and its assets. Such covenants and restrictions may, among other things, have the effect of restricting our ability to implement fully such Client’s investment strategy in the manner that we deem appropriate and/or take other actions to protect such Client’s assets. In addition, they may restrict the ability of such Client to: (a) transfer and dispose of its assets; and/or (b) declare or make distributions of its assets to equity holders. Other covenants and restrictions may restrict the ability of such Client to adopt and implement changes to such Client’s investment activities and organizational documents. The failure of a Client to satisfy a Lender’s covenants and restrictions could result in an event of default under a loan arrangement. Upon an event of default, a Lender may require such Client to liquidate certain investment positions in an untimely or otherwise adverse manner, and may be entitled to take possession of all or a portion of such Client’s assets and/or may have the right to take other actions which could have an adverse impact on such Client or its assets. A default with one Lender will generally result in a cross-default under the loan documents with such Client’s other Lenders.

The Client would be charged interest by Lenders for borrowings and required to pay or reimburse Lenders for various expenses, reducing such Client’s rate of return.

The General Partner may, from time to time, without the consent of a Fund's Limited Partners, enter into, and modify the terms of, loan arrangements on behalf of that Fund. Furthermore, the General Partner, in its discretion, may terminate a Fund's loan arrangement or obtain additional or alternative credit facilities or other loan arrangements on behalf of a Fund from a Fund's current Lender or from other lenders. All such actions may adversely impact such Fund's rate of return.

8. Use of High Risk Trading Strategies

The trading strategies deployed by us to satisfy a Client's investment objectives may include the speculative trading of futures contracts, options on futures contracts, and other financial instruments on domestic and international exchanges and markets. There is no assurance that the Master Fund or any other Client will achieve their investment objectives or that a Client (including its investors) will not incur losses. A Client's investment objective may also change in the future. An investment in our products involves significant risks.

9. Illiquid Nature of Interests

The Interests should be acquired for investment purposes only and not with a view to their resale or other distribution. The Interests have not been registered under the Securities Act, in reliance on an exemption provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. Each Fund's Private Placement Memorandum substantially restricts the withdrawal of capital contributions and the transferability or assignability of Interests or a Limited Partner's withdrawal from such Fund. Further, if a Limited Partner wishes to transfer all or part of his, her or its Capital Account, even if all conditions for such transfer are met, he, she or it may find no transferee for the Interest due to market conditions or the general limited liquidity of the Interests. There is no market for Interests and none is expected to develop. Moreover, the General Partner may require any Limited Partner to withdraw all or any portion of his, her or its capital at any time if it deems such withdrawal to be in the best interests of a Fund. All such required withdrawals are in the sole discretion of the General Partner, may be required of any one or more Limited Partners at any time, may require full or partial withdrawal and will be subject to withdrawal fees and holdbacks.

Additionally, the Master Fund may not be able to liquidate its Digital Asset positions at its desired price. In particular, it may be difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A market disruption, such as the financial market turmoil of 2007 through 2009 or a foreign government taking political actions that disrupt the market can also make it difficult and costly to liquidate a position. Alternatively, limits imposed by exchanges or other regulatory organizations or market conditions may contribute to a lack of liquidity with respect to some Digital Assets. Unexpected market illiquidity may cause substantial losses to investors. The large face value of the Digital Asset positions that the Master Fund expects to acquire increases the risk of illiquidity by both making its positions more difficult to liquidate at favorable prices and increasing the losses incurred while trying to do so. Similar liquidity, limited market and regulatory risks apply to any Complementary Assets placed into our Funds' and other Clients' portfolios.

10. Impact of Foreign Law on Withdrawal Rights

The Master Fund intends to trade on global Digital Asset Exchanges. The ability of a Client to pay withdrawal proceeds will depend, among other things, on the relevant laws and practices affecting the Client's ability to liquidate investments and remit the proceeds out of the country in which the investments are domiciled. There can be no assurance that foreign exchange controls will not be used to restrict remittances to or from a Client in the future. Under certain market conditions, the Master Fund or SMA may find it difficult or impossible to liquidate a position.

11. Competition

A Client may engage in investment activities that are highly competitive with other investment programs, such as other Digital Asset funds, mutual funds, and financial institutions, investment banks, broker-dealers, commercial banks, insurance companies and pension funds, as well as private investors, all of whom may have investment objectives similar to those of such Client. These competitors may have substantially greater resources than our Clients and may have substantially greater experience than the Adviser.

12. Payment of Fees and Expenses; Possible Frequent Trading

Each Client will incur obligations to pay various fees (including the Management Fee and Subscription Fee), costs and expenses regardless of whether such Client realizes any profits. In appropriate situations, in response to market conditions, there may be periods when we engage in frequent trading of Digital Assets and/or Complementary Assets; frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

13. No Distributions; Limited Withdrawals

The General Partner does not anticipate making annual or any regular distributions to the Limited Partners. Thus, a Limited Partner's income tax liability in any particular year may exceed the amount of distributions, if any, received by him, her or it.

In addition, withdrawals of capital may only be made as of the end of a month, commencing twelve (12) full months after the Limited Partner's initial investment in a Fund, and only upon at least fifteen (15) days' prior written notice to the General Partner. Such withdrawals are limited to up to eight and one-third (8 1/3%) percent per month of the related investment in such Fund and withdrawals may be suspended or reduced by the General Partner for market disruptions, if the aggregate withdrawal requests exceed certain threshold amounts or if the General Partner determines that the withdrawals would be detrimental to the remaining Partners. Withdrawals at other times may be permitted by the General Partner, but only in the sole discretion of the General Partner. All withdrawals will be subject to deduction for each Fund's execution costs to sell the related assets (or borrow for the withdrawal request, as determined by the General Partner) and may incur an additional fee payable to such Fund of up to one tenth of one (0.10%) percent of the amount withdrawn.

14. Limited Regulatory Protection

Digital Assets are a relatively new asset class and are not regulated in a manner comparable to other asset classes. Moreover, these assets may be subject to newly-enacted or promulgated laws, rules and regulations, on a global basis, that may, among other factors, restrict transferability, impair asset value, impose additional regulatory and transactional costs and increase market volatility.

Further, the Clients are not a banking institution or otherwise a member of the Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) and, therefore, deposits held with or assets held by the Clients are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. The undivided interests in each Fund’s Digital Assets represented by Interests are not insured directly by the General Partner or Adviser.

Lastly, to the extent that the Adviser’s activities cause it to be deemed a “money services business” under the regulations promulgated by the Financial Crimes Enforcement Network (“FinCEN”) under the authority of the U.S. Bank Secrecy Act, the Adviser may be required to comply with FinCEN regulations and/or be licensed as a money transmitter or as a virtual currency business, such as under the New York Department of Finance’s BitLicense scheme.

15. Exculpation of the Adviser

The General Partner and each Fund have agreed, in the IMA with the Adviser, to exculpate the Adviser from certain liability.

16. Conflicts of Interest

There are a number of conflicts of interest involving the Clients, the General Partner, and the Adviser. Among those which should be considered by each prospective investor are the following:

a. Transactions with Interested Parties

The General Partner, the Adviser and any of their directors, officers, managers, members, employees, agents and affiliates, and the directors of the Master Fund and any officer or agent of a Client, and any person or company with whom they are affiliated or by whom they are employed (any such person being an “Interested Party”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with such Client. In addition, Interested Parties may provide to other entities services similar to those provided to such Client and shall not be liable to account for any profit earned from any such services. The General Partner and the Adviser shall ensure that such parties shall at all times have due regard to their duties owed to the Clients and where a conflict arises they will endeavor to ensure that it is resolved fairly and in accordance with fiduciary standards. For example, an Interested Party may acquire investments in which an investment adviser may invest on behalf of Clients. Each Interested Party will endeavor to ensure that investment opportunities are allocated on a fair and equitable basis.

The Clients may acquire investments from or dispose of investments to any Interested Party or any investment company or account advised or managed by any such person. An Interested Party may provide professional services to a Client (provided that no Interested Party shall act as auditor to

such Client) or hold Interests and buy, hold and trade in any investments for their own accounts notwithstanding that similar investments may be held by such Client. An Interested Party may contract or enter into any financial or other transaction with any Limited Partner or with any entity who or which may hold an interest in any contract or transaction entered into by a Client. Furthermore, any Interested Party may receive commissions to which he, she or it is contractually entitled in relation to any sale or purchase of any investments of a Client effected by it for the account of such Client, provided that in each case the terms are no less beneficial to such Client than a transaction involving a disinterested party and any commission shall be in line with market practice. Any transactions with Interested Parties, such as Principal Trades (as defined below) or Agency Cross Trades (as defined below) will be entered into only to the extent permitted by applicable law.

b. Conflicts Involving the Adviser

We may establish advisory relationships with other clients, including other investment partnerships, which may have similar or different investment objectives and strategies. Such activities may create conflicts of interest with a Client with respect to the time devoted to such Client's management. In addition, although such other accounts may pursue investment objectives that are similar to a Client, the portfolios of such Client may differ as a result of purchases and redemptions being made at different times and in different amounts, as well as because of different tax and regulatory considerations. Further, to the extent the market in any Digital Assets is illiquid, the Adviser may not be able to make the same investment decisions for all accounts that they advise, including the Funds, so that the same investment opportunities that are made available to other Clients at a particular time may not be made available to the Funds, thereby possibly negatively affecting the Funds' performance relative to such other accounts.

c. Conflicts as to Digital Asset Exchanges

The General Partner has delegated to the Adviser the authority to select those Digital Asset Exchanges that will execute Digital Assets transactions on behalf of the Funds and our other Clients. The Adviser intends to select those Digital Asset Exchanges that will provide best execution services to our Clients. We will base our selection of Digital Asset Exchanges upon such factors as the price, availability and depth of offer of Digital Assets on the exchange, the exchange's financial condition, its execution capabilities, diversification considerations, price improvement, liquidity enhancement, avoidance of partial fills, execution speed, the reasonableness and periodic calibration of fees, and execution costs and quality, and the general level of service available from the Digital Asset Exchange.

d. Conflicts Regarding Valuation and Other Matters

The General Partner, working with the Administrator, is ultimately responsible for the development of the valuation methodology and its application to determine the value of the Digital Assets and other assets held by the Clients. Such valuation affects reported Client performance as well as the calculation of both the Performance Fee payable to the General Partner and the Management Fee payable to the Adviser.

e. Conflicts Regarding the Performance Fee

We do not charge our Clients performance-based fees. Performance-based compensation, such as the Performance Fee paid to the General Partner, which is based on capital appreciation, may create an incentive for the General Partner and its affiliate, the Adviser, to make more speculative investments than a solely asset-based compensation arrangement. The inclusion of unrealized gains when calculating the Performance Fee may also increase the amount of such Performance Fee to the General Partner. Prospective investors should give careful consideration to the compensation methods used in connection with the Funds and other Clients.

f. Conflicts Regarding Qu Labs.

The Adviser will manage Qu Labs investments using a range of strategies. Such strategies will be developed by the Adviser using information walls to keep the implementation of such investment strategies for Qu Labs separate from the implementation and investment decisions for our other Clients.

g. Discretion of the General Partner

In general, the partnership or operating agreement of each Fund and IAA of each SMA provides the General Partner with broad discretion as to the determination or resolution of a wide variety of matters, including economic and tax allocations, Partner withdrawals, distributions and other issues, any of which could significantly affect a particular Limited Partner or investor. The General Partner would have the discretion to agree in advance with a large or strategic investor to waive or reduce the Management Fee, Performance Fee rate, the “lock-up” period before withdrawals may be permitted, the notice period for withdrawals, the pay-out of withdrawn amounts and other matters. Some such waivers could adversely affect the remaining Limited Partners or investors.

17. Possible Adverse Tax Consequences

There are a number of tax considerations with respect to an investment in a Client. Tax laws are subject to change, and tax liabilities could be incurred by investors as a result of changes thereto. Therefore, investors should consult their own tax advisers to determine the tax effects of an investment in a particular Client, especially in light of their particular financial situations. In particular, investors in our Funds should be aware that they will be taxed annually on their allocable interest of Fund income and realized gains, if any, whether or not they receive any cash distributions from such Fund. Moreover, no distributions are expected to be made by each Fund to the Limited Partners. The Funds cannot assure any investors that the relevant government tax administrators (the “Tax Authorities”) will accept the tax positions taken by it or the Master Fund. If any Tax Authority successfully contests a tax position taken by a Fund or the Master Fund, such Fund or the Master Fund or the investors may be liable for tax, interest or penalties and such persons may need to file or amend one or more tax returns.

18. Regulatory Uncertainty

The regulation of Digital Assets in the United States is not yet settled. Both the SEC and the Commodity Futures Trading Commission have asserted some authority over the regulation of

activities related to Digital Assets on the U.S. Federal level. Certain U.S. states, including New York, have developed regulatory schemes that may impact the operation of the Clients. In Q1 2018, the SEC staff announced increased scrutiny on businesses operating in the Digital Assets space, including businesses like our Clients. Given the uncertainty in the U.S., and similar lack of clarity around the globe, we are unable to predict whether and to what the extent additional regulatory requirements will be imposed on our business, and whether or not we will be able to comply with such requirements or at what cost.

19. Intellectual Property Rights Claims. The Adviser is not aware of any intellectual property rights claims that may prevent the Clients from operating and holding Digital Assets; however, third parties may assert intellectual property rights claims relating to the operation of the Clients and the mechanics instituted for the investment in, holding of and transfer of Digital Assets. Regardless of the merit of an intellectual property or other legal action, any legal expenses to defend or payments to settle such claims would be extraordinary expenses and be borne by a Client through the sale of such Client's Digital Assets. Additionally, a meritorious intellectual property rights claim could prevent a Client from operating and force the Adviser to terminate such Client and liquidate such Client's Digital Assets. As a result, an intellectual property rights claim against a Client could adversely affect investors' investment in such Client.

20. Lack of Banking Services. Currently, the General Partner, on behalf of our Clients, has entered into a banking relationship to service our Clients. However, a number of companies that provide Digital Asset-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to Digital Asset-related companies or companies that accept Digital Assets for a number of reasons, such as perceived compliance risks or costs, including with respect to the bank's obligations under the U.S. Bank Secrecy Act and related regulations. The difficulty that many businesses that provide Digital Asset-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of Digital Assets as a payment system and harming public perception of Digital Assets or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of Digital Assets as a payment system and the public perception of Digital Assets could be damaged if banks were to close the accounts of many or of a few key businesses providing Digital Asset-related services. This could decrease the price of Digital Assets and therefore adversely affect investors' investment in a Client.

Item 9 - Disciplinary Information

None.

Item 10 - Other Financial Industry Activities and Affiliations

Neither we nor our affiliates are registered with, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. We, the General Partner and our respective employees are also engaged in other business activities. When engaging in these other activities and business interests, we and they may perform investment-related activities for other persons, including providing investment recommendations to such persons.

We intend to purchase Digital Assets in the open, spot market across numerous international exchanges. Should we choose to rely on margin or other financing strategies, we will then review our obligations to satisfy various regulatory requirements, including, without limitation, possible affiliations with other financial industry entities that may or may not be regulated.

From time to time, we may enter into one or more sub-advisory relationships on behalf of our Clients when we determine, in our sole discretion, that such relationship(s) will benefit our Clients. The fees for such sub-advisory relationships may be charged to those Clients for whose benefit such sub-advisor has been retained. Generally, sub-advisory fees are included in the Management Fee that we charge.

Conflicts Involving the Adviser.

See Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss”.

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

A. Code of Ethics

We have adopted a Code of Ethics (the “Code”) covering our Supervised Persons and Access Persons, which sets forth our high standard of business conduct, and fiduciary duty to our Clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other issues. We have elected to treat all of our management members and employees as Access Persons under the Advisers Act. All Access Persons at our firm must acknowledge the terms of the Code annually, or as amended.

All of our employees and persons associated with us are required to follow the Code. In appropriate circumstances, consistent with Clients’ investment objectives, accounts over which we have management authority will recommend to investment advisory clients or prospective clients, the purchase or sale of Digital Assets or Complementary Assets in which we, our officers, members and employees, as well as those of our affiliates, directly or indirectly, have a position of interest. This raises the possibility that employees might benefit from market activity by a Client in Digital Assets or the Complementary Assets held by our Access Persons. Subject to satisfying this policy and applicable laws, our officers, members and employees, as well as those of our affiliates, may trade for their own accounts in Digital Assets, the Complementary Assets and securities that are recommended to and/or purchased for our advisory Clients.

The Code is designed to prevent conflicts of interest between the Adviser and its clients with respect to personal transactions in Digital Assets and the Complementary Assets, as well as the activities and interests of our Access Persons. The Code requires that the personal securities transactions, activities, and interests of our employees do not interfere with our making of and implementing investment decisions in the best interests of our advisory clients, while, simultaneously, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interests of our Clients. In addition, the Code requires pre-clearance of certain transactions that will have a direct or indirect impact on the business of our Client s. Employee trading is monitored as necessary under the Code.

Certain affiliated accounts may trade in the same Digital Assets and the Complementary Assets with Client accounts on an aggregated basis when consistent with our obligation of best execution to our Clients. In such circumstances, the affiliated and Client accounts will share commission costs equally and receive Digital Assets and the Complementary Assets at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a *pro rata* basis. Any exceptions will be explained in the trade order.

Our Clients or prospective clients may request a copy of the firm’s Code by contacting Cassandra Joseph, our CCO, at 212-203-3894 or compliance@qu.capital.

B. Principal Transactions and Agency Cross Trades

The legal status of Digital Assets is in flux and it is unsettled as to which regulator(s) will exercise supervisory control over such assets and in what manner. Nonetheless, we believe that regardless of which regulator(s) supervise(s) Digital Asset transactions, or how, we believe that both principal transactions and agency cross trades restrictions (as those terms are defined under current broker-dealer laws) will be imposed. We discuss the application of those rules below.

Principal trades or transactions (such transactions, “Principal Trades”) are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated entity, buys any Digital Asset or Complementary Asset from or sells any Digital Asset or Complementary Asset to any advisory client. A Principal Trade may also be deemed to have occurred if a Digital Asset or Complementary Asset is crossed between an affiliated fund and another client account. Agency cross trades or transactions (such transactions, “Agency Cross Trades”) are defined as a transaction between two accounts managed by the same adviser. Principal and Agency Cross Trades are governed by Section 206(3) and Rule 206(3)-2 of the Advisers Act and the exemptions available under Rule 206(3) and its related interpretations.

We anticipate that, in appropriate circumstances and consistent with Clients’ investment objectives, accounts over which we have management authority will recommend to investment advisory clients or prospective clients the purchase or sale of Digital Assets or Complementary Assets in which we and/or our other affiliates and/or clients, directly or indirectly, have a position of interest. Notwithstanding the foregoing, we will only engage in Principal Trades where the transaction was made as an accommodation to the clients, with appropriate consents, and not for our profit or that of an affiliate. For instance, to avoid losing an investment opportunity due to timing of funding, an affiliate may acquire Digital Assets or Complementary Assets for the benefit of Clients while the General Partner is aggregating the funds required to purchase such Digital Assets or Complementary Assets, and then transfer such Digital Assets or Complementary Assets to the Clients at cost when the Clients’ funds have been obtained.

We will only consider causing a particular Client to engage in a Principal Trade or Agency Cross Trade to the extent permitted by applicable law set forth immediately above. These restrictions include the requirement to obtain the prior written consent of the Client, as well as, if required or appropriate, the making of appropriate disclosure to and receipt of consent from that Client’s investor(s). By virtue of entering into a Subscription Agreement or IAA, the investor consents to a particular Client entering into a Principal Trade and Agency Cross Trade to the fullest extent permitted under applicable law.

On any issue involving actual conflicts of interest, we will be guided by our fiduciary duty and good faith judgment as to the best interests of the investors in the particular Client. If we determine that an actual conflict of interest exists between the particular Client, on one hand, and us or our affiliates, on the other, or as between the particular Client and its investors, we may take such actions as may be necessary or appropriate to ameliorate the conflict. These actions may include disposing of the Digital Assets or Complementary Assets held by the particular Client giving rise to the conflict of interest.

Item 12 - Brokerage Practices

A. Execution of Portfolio Transactions - Allocation Practices

The General Partner has delegated to us the authority to select the Digital Asset Exchanges that will execute Digital Asset and Fiat Currencies transactions on behalf of a Client. We intend to select those Digital Asset Exchanges that we expect will provide best execution services to our Clients on an overall and aggregated basis, directing our affiliate, Qu Exec, to use those Digital Asset Exchanges that we have selected.

We will base our selection of Digital Asset Exchanges upon such factors as the price, availability and depth of offer of Digital Assets on the exchange, the exchange's financial condition, its execution capabilities, diversification considerations, price improvement, liquidity enhancement, avoidance of partial fills, execution speed, the reasonableness and periodic calibration of fees, execution costs and quality, and the general level of service available from the Digital Asset Exchange.

Our affiliate and Relying Adviser, Qu Core, provides proprietary technology, trading instructions and advice to the Adviser and Qu Exec. We expect to rely on the algorithmic trading methodologies and other intellectual property developed and managed by Qu Core when trading Digital Assets for our Clients. Qu Core's overhead is paid by us from our Management Fee and the management or other fees earned by other investment advisers that use Qu Core's services; Qu Core's personnel are eligible to participating in a profits pool derived from the General Partner's Performance Fee. Qu Core does not charge any Client a direct fee for its services.

Our affiliate and Relying Adviser, Qu Exec, acts as the trading and execution entity for our Clients. Qu Exec will not charge the Clients separate fees for its services; Qu Exec's overhead is paid by us from our Management Fee and the management or other fees earned by other investment advisers that use Qu Exec's services. Qu Exec's personnel are eligible to participating in a profits pool derived from the General Partner's Performance Fee.

For efficiency and other market advantageous reasons, Qu Exec will execute all transactions for the Master Fund and its other Clients on a strict first-in-time, first-in-line order and will keep accurate books and records of all transactions to allocate Digital Assets transactions to the proper Client. Qu Exec's activities will be overseen by the Adviser and the Administrator and audited by the Auditor. We will not receive, directly or indirectly, any compensation in connection with the execution of Digital Assets orders on behalf of our Clients.

In view of the trading strategies that may be used on behalf of our Clients, it is possible that Digital Asset Exchange fees paid by a particular Client could amount to a material portion of its assets and could affect a Client's ability to achieve its investment objectives. We will regularly review execution costs and quality to determine whether they continue to meet our investment strategies, achieve equitable results and enable our Clients to best achieve their investment objectives.

When we deem the purchase and sale of Digital Assets to be in the best interests of the Clients that we advise, we may aggregate the Digital Assets to be purchased or sold. In such event, execution prices for identical Digital Assets purchased or sold on behalf of multiple Clients on any one business day will be averaged, and allocation of the Digital Assets purchased or sold, as well as

expenses incurred in the transaction, will be allocated among our Clients by applying such considerations as we determine to be appropriate, including relative account size of such Clients, amount of available capital, size of existing positions in the same or similar Digital Assets, investment objectives, tax considerations and other factors. We periodically review such allocations to monitor whether our allocation methodologies are consistently achieving equitable results. These allocation rules also apply when we choose to recommend investments in Complementary Assets.

We will administer these allocation methodologies with due regard to the investment needs of each of our Clients and without any bias or preference in favor of our Clients. This, however, does not mean that our Clients will share in each investment opportunity in the same proportion. Indeed, in some circumstances, a particular Client may not participate at all in a particular investment opportunity. We will periodically review allocated executions to monitor whether their allocation methodologies are achieving equitable results.

B. Trades Execution

The Adviser, with the authority granted to it by the General Partner, has selected Qu Exec to execute our Clients' trades. Trade execution involves three (3) stages. In the first stage, upon Adviser instruction, Digital Assets are withdrawn from cold storage (either held by the Custodian or the Client itself) to a Qu Exec controlled "hot wallet". Qu Exec will only be deemed to have custody of client assets during the first stage of the trading process. During the second stage of the trading process, Digital Assets are transferred from Qu Exec's hot wallet to specific Digital Assets Exchanges which then assume custody. During the final stage of the trading process, Digital Assets Exchanges execute the trades, as directed by Qu Exec, and thereafter withdraw the Digital Assets to cold storage.

C. Research and Other Soft Dollar Benefits

N/A. We conduct our own research and do not use research and other soft dollar benefits in our business. When we do obtain research from third parties, we pay for that research directly and do not use soft dollar accounts.

D. Directed Brokerage

We select all the exchanges and dealers through which we acquire Digital Assets. No Client will have the right to direct brokerage to a specific exchange or dealer.

Item 13 - Review of Accounts

Using trading records compiled by the Adviser and Qu Exec in the ordinary course of their respective businesses, we send account statements, on at least a monthly basis, to Fund investors and SMA accounts. We encourage all investors to review these statements carefully. Our statements may vary from the custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain investments.

Item 14 - Client Referrals and Other Compensation

From time-to-time, we may enter into placement agent agreements with broker-dealers to introduce potential investors to our Funds or for the creation of a SMA. All such arrangements will fully comply with the requirements of Rule 206(4)-3 of the Advisers Act and related SEC staff interpretations.

When providing investment advisory services to our Clients, we do not differentiate among Clients based on how or from what source any investor became a Client in our Funds or established a SMA. Thus, no conflicts of interest arise as a result of any such arrangements.

Item 15 - Custody

We have engaged a custodian in connection with the management of investments for our Clients. Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) imposes specific conditions on us as a registered investment advisor with respect to those Digital Assets and/or Complementary Assets that are held by the Clients. We adhere to the applicable requirements of the Custody Rule with respect to each Client for which we, or an affiliate, serves as a manager. This includes the use of financial statement audit by a Public Company Accounting Oversight Board (“PCAOB”) certified accounting firm (“Auditor”) to monitor the positions over which we have, or are deemed to have custody, and may include surprise audits if appropriate. The Adviser will custody Client assets with third party qualified custodians as and to the extent possible.

We rely on the “Annual Audit Exception” of the Advisers Act to meet our obligations to our investors (or beneficial owners) with respect to the Custody Rule. As a result, we obtain an audited financial statement for each Client annually, conducted by an Auditor, and prepared in accordance with GAAP. These audited financial statements are to be delivered to each Fund’s underlying investors (or beneficial owners) and SMA within one hundred twenty (120) days of that Client’s fiscal year-end or annually.

We encourage all investors to review these statements carefully and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain assets.

Item 16 - Investment Discretion

Our offering documents provide us with discretionary authority from our Clients at the outset of our advisory relationship. In all cases, our exercise of discretion comports with the investment guidelines and restrictions stated in those offering documents. We have full discretion to select the identity and amount of Digital Assets and Complementary Assets to be bought or sold. If any particular Client seeks to impose investment guidelines and/or restrictions, they must be provided to us in writing prior to that Client's execution of the offering documents.

As discussed above in Item 8 and Item 12, we have developed policies and procedures for the allocation of investment opportunities and decisions for the purchase and sale of the Digital Assets and Complementary Assets in which we invest, with the expectation that such decisions will be consistent with our fiduciary duties and prove to be reasonable and equitable over time. The allocation of investment opportunities by us and among our affiliates has been, and will be, made in the exercise of our fiduciary duty and in good faith in accordance with our offering documents, where applicable, and in accordance with the policies and procedures we have established, without regard to our compensation or that of our affiliates.

Item 17 - Voting Client Securities

Our offering documents set forth the issues on which investors may vote, or vote through duly executed, written proxies. In certain circumstances, Digital Assets may allow voting on issues concerning the technological development and governance of the specific protocol for the asset. In such cases, the Adviser will vote its proxy, to the extent that it is able to form an opinion, in what it deems to be the best interests of our Clients.

Item 18 - Financial Information

We do not require or solicit prepayment of more than one thousand two hundred (\$1,200) dollars in fees per Client, six (6) months or more in advance. Accordingly, we are not required to provide you with certain financial information or disclosures about our financial condition in this Item. Further, we have no financial commitments that impair our ability to meet contractual and fiduciary commitments to our Clients, and we have not been the subject of a bankruptcy proceeding.