

ITEM 1 — COVER PAGE

# Wave Financial LLC

CRD 305726

FORM ADV – PART 2A

Firm Brochure

September 6, 2022

12400 Wilshire Boulevard  
Los Angeles, CA 90025

This Brochure provides information about the qualifications and business practices of Wave Financial LLC (the “Adviser” or “Wave Financial”). If you have any questions about any of the information in the Brochure, please contact our CCO Kelly Chapman at 818 294-4272 or [compliance@wavegp.com](mailto:compliance@wavegp.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or state authority does not imply a certain level of skill or training.

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

## **ITEM 2 — MATERIAL CHANGES**

The most recent version of this Disclosure Brochure was dated May 11, 2022.

The following Material Changes are found in this version of the Disclosure Brochure:

Cover page: Form ADV Part 2A Item 1 has been amended to provide the name and phone of the Chief Compliance Officer: Kelly Chapman.

On request, a full copy of the Brochure is available at no cost by emailing [compliance@wavegp.com](mailto:compliance@wavegp.com), or see [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for the most recent version and other important information.

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## ITEM 4 – ADVISORY BUSINESS

The Adviser offers Management Services in securitized and non-securitized digital assets on a discretionary basis, including the offering of private funds. Wave Financial LLC was formed in November 2018. Wave Financial Group is the sole owner and shareholder of Wave Financial, LLC. David Siemer is the Managing Member and majority shareholder of Wave Financial Group.

As of March 31, 2022, as described in detail below for each service and fund, the Adviser manages a total of approximately \$1,212,431,000.

### **Discretionary Management Services**

Wave Financial provides for the management of customer assets via separately managed accounts and/or single member private funds (SMEs) with an intended investment objective of achieving risk adjusted returns consistent with the client's objectives. The separately managed accounts or SMEs are generally designed according to each client's specific investment profile, mandate or guidelines.

The Adviser may, without prior consultation with the Client, select, buy, sell, and trade in stocks, digital currency, digital assets, derivatives and other securities and/or contracts relating to the same. To achieve an additional stream of yield, assets, in cash or securities, can be lent out to borrowers under separate contractual arrangements. Unless otherwise specifically and expressly indicated in the client Agreement, Client acknowledges and understands that the service to be provided by Adviser under the Agreement is limited to the management of the Assets and does not include financial planning, tax and legal services. The Adviser permits investors in its Discretionary Management Services to place reasonable restrictions on investing in certain types of securities.

In furtherance of Advisor's delivery of services under the Agreement, Client agrees to provide information as pertains to Client's income, investments, risk tolerance, objectives and/or related information. The Client also agrees to discuss with Adviser its/his/her investment objectives, needs and goals, and to keep Adviser informed of any changes. The Client acknowledges that Adviser cannot adequately perform its services for the Client unless the Client informs Adviser of these changes in a timely manner. Adviser shall not be required to verify any information obtained from the Client, Client's attorney, accountant or other professionals, and is expressly authorized to rely thereon.

The management services provided by the Adviser include Digital Asset Lending, Investment Advisory and Liquidity Management, Derivative Strategies and Managed/Premium Asset Disposal.

As of March 31, 2022, the Adviser manages approximately \$121,243,128 in discretionary assets in its separately managed accounts and SMEs.

### **Investment Adviser to the Wavemaker Genesis Master Fund, Ltd., Wavemaker Genesis Fund, LLC and Wavemaker Genesis (International) Fund, Ltd.**

The Adviser serves as the investment adviser to Wavemaker Genesis Master Fund, Ltd, Wavemaker Genesis Fund, LLC and Wavemaker Genesis (International) Fund, Ltd. (collectively, "the Funds") Investment in the Funds are subject to terms, conditions, jurisdiction and restrictions described in full in the Private Placement Memorandum ("PPM") dated January 2019.

The Adviser provides discretionary investment management services for the entirety of the Fund's portfolio. The objective of the Master Fund is capital appreciation. The Funds seek to employ a venture style "high risk – high reward" model for early stage investments through global investments in virtual currencies, tokens, and securities issued by blockchain-focused companies. Specifically, the Funds intend to focus on the crypto sector's equivalent of early stage investments – pre-initial coin offering ("ICO") tokens, as well as actual early stage investments in block-chain focused companies. As of March 31, 2022, the Fund has AUM of approximately \$44,512,000.

**Investment Adviser to Wave BTC Income & Growth Digital Fund Ltd, Wave BTC Income & Growth Digital US Feeder Fund LLC and Wave BTC Income and Growth Feeder Fund, Ltd.**

Wave Financial is the discretionary investment manager of the Wave BTC Income & Growth Digital Fund Ltd, (Master Fund), Wave BTC Income & Growth Digital US Feeder Fund LLC (US Feeder Fund) and Wave BTC Income and Growth Feeder (International) Fund, Ltd. The funds engage in investment activities primarily through the Wave BTC Income & Growth Digital Fund Ltd (the Master Fund) utilizing a Master-Feeder structure.

The investment objective of the Fund is to seek above-average rates of return through long-term capital growth and income generation by capturing the BTC volatility risk premium through “call overwriting.” “Call overwriting” consists of writing call options on reference assets that the writer owns in order to generate income from the option premiums. The Fund’s principal investment strategy is to write out-of-the-money call options against a long position of BTC on a 1:1 ratio. Fund intends to write short-dated BTC call options of less than one year. There can be no assurance that the Fund will achieve its objective or its target return or that it will not incur losses. Investment in the Fund is subject to substantial risks, terms, conditions, jurisdiction and restrictions described in full in the Private Placement Memorandums dated September 2, 2021 (for the Master Fund) and September 1, 2021 (for the US Feeder Fund) As of March 31, 2022, the Fund has AUM of approximately \$5,966,000.

**Investment Adviser to Wave Kentucky Whiskey 2020 Digital Fund, LLC (“the Whiskey Fund”)**

Wave Financial is the discretionary investment manager of the Wave Kentucky Whiskey 2020 Digital Fund, LLC offering interests representing fractional non-voting economic interests in the Net Asset Value of the Fund. The Whiskey Fund is formed for the primary purpose of buying and holding an inventory of whiskey produced on its behalf and liquidated over time as the value increases. In general, the value of newly produced whiskey increases in value, and the fund will acquire newly created barrels of whiskey and keep it in storage. The fund will then sell the inventory down over time as the value is expected to increase. The goal is to maximize return for the investors.

The Fund interests are based on cryptographic technologies similar to those used for the creation and transfer of certain virtual currencies. An investment in Fund Tokens is suitable only for sophisticated investors who have experience investing in private funds employing the Fund’s strategies, are familiar with investing in and trading Crypto Assets and can afford the loss of their entire investment in Fund Tokens. Investment in the Fund is subject to terms, conditions, jurisdiction and restrictions described in full in the Private Offering Memorandum (“POM”). As of March 31, 2022, the Fund has AUM of approximately \$2,956,000. This offering is currently closed to new investment.

**Investment Adviser to Wave Select 5 Crypto Index Fund, LP**

Wave Financial is the discretionary investment manager of the Wave Select 5 Crypto Index Fund LP offering fractional and non-voting economic interests in the Net Asset Value of the Fund. The Fund was organized as a Delaware limited partnership on February 24, 2021 to operate as a private investment partnership. In order to facilitate investments by non-U.S. and U.S. tax-exempt investors, the General Partner has sponsored the formation of a British Virgin Islands business company, Wave Select 5 Crypto Index Fund (BVI), Ltd. (the “*Offshore Feeder*”), which will offer its interests primarily to non-U.S. individuals and U.S. tax-exempt entities. The Fund, together with the Offshore Feeder, will place all or substantially all of its assets in, and conduct its investment activities primarily through, a British Virgin Islands business company, Wave Select 5 Crypto Index Master Fund (BVI), Ltd. (the “*Master Fund*”), utilizing a “Master-Feeder” structure. The General Partner serves as the investment manager for each of the Master Fund and the Offshore Feeder and will make all investment decisions for such entities. The Fund and the Offshore Feeder participate on a pro rata basis in the profits and losses of the Master Fund and bear a pro rata portion of all expenses of the Master Fund based on the net asset value of their respective interests in the Master Fund. The purpose of the Master Fund is to achieve trading and administrative efficiencies. No additional fees are payable by the Fund in connection with the Fund’s investment in the Master Fund. Although investment activities are currently anticipated to be conducted exclusively at the Master Fund level, the Fund may also conduct direct investment activities (either exclusively or supplemental to its investment in the Master Fund) in the future if deemed necessary or advisable due to tax, regulatory or other legal considerations, or for any other reason, each in the sole discretion of the General Partner.

The investment objective of the Fund is capital appreciation. The Fund is designed to track the performance of the Wave Select 5 Index, which tracks the top five cryptocurrencies by market cap, and is rebalanced monthly. The Fund may also lend assets out to generate returns. There can be no assurance that the Fund will achieve its objective or its target return or that it will not incur losses.

Investment in the Fund is subject to substantial risks, terms, conditions, jurisdiction and restrictions described in full in the Confidential Private Placement Memorandum (PPM) dated March 1, 2021. As of March 31, 2022, the Fund has AUM of \$3,148,000 .

#### **Investment Adviser to cFund, Ltd., cFund US, LLC and cFund Global, LTD**

Wave Financial LLC is the investment manager (“Investment Manager”) of the Funds. Wave Financial LLC is also the managing member (“Managing Member”) of the U.S. Fund.

The Investment Manager provides discretionary investment management services for the entirety of the Fund’s portfolio.

The Master Fund invests in portfolio assets in accordance with the investment objective described below. Each of the U.S. Fund and the International Fund invests substantially all of its assets in the cFund Ltd., the Master Fund, in what is sometimes called a “master-feeder” structure; however, based on circumstances, such as in the event of prohibitions (regulatory or commercial) on its participation in certain investments made by the Master Fund, each of the U.S. Fund and the International Fund may diversify its portfolio beyond its holdings in the Master Fund as the Investment Manager (defined below) deems appropriate.

The U.S. Fund offers LLC Interests primarily to eligible U.S. taxable investors (as investors in the U.S. Fund, “Members”). The Master Fund accepts investments from the U.S. Fund and the International Fund and generally offers Shares only to eligible non-U.S. persons and U.S. tax-exempt investors (as investors in the International Fund, “Shareholders” and, together with Members, “Investors”). The International Fund offers Shares primarily to eligible non-U.S. investors and U.S. tax-exempt investors. The LLC Interests and Shares are collectively referred to as “Interests.” Investors should consult their tax, legal and financial advisors before making any investment in the Funds.

The Funds’ primary investment objective is capital appreciation, with a secondary objective of investing in the IOHK ecosystem. Further description of “IOHK ecosystem” can be found in the PPM in the section entitled Investment Philosophy, Principal Strategies.

Each of the U.S. Fund and the International Fund has the same investment objectives as the Master Fund and will seek to achieve its investment objectives by investing substantially all of its investable assets in the Master Fund.

Investment in the Fund is subject to substantial risks, terms, conditions, jurisdiction and restrictions described in full in the Private Placement Memorandum (“PPM”) dated October, 2020. As of March 31, 2022, the Fund has AUM of \$50,214,000.

#### **Investment Adviser to Wave NFT Fund, LP and the Wave NFT Non-Fungible (BVI) Fund I, Ltd.**

Wave Financial is the discretionary General Partner of Wave NFT Fund LP and the Investment Manager of Wave NFT Non-Fungible (BVI) Fund I, Ltd.

Wave NFT Fund, LP (NFT Fund) was organized as a Delaware limited partnership on September 7, 2021 to operate as a private investment partnership. Wave NFT Non-Fungible (BVI) Fund I, Ltd. (Offshore Feeder) Is a British Virgin Islands (“BVI”) business company established to operate as a close-ended private investment fund. Collectively, the NFT Fund and Offshore Feeder are referred to below as “the Funds.”

The Funds will place all or substantially all of their assets in, and conduct investment activities primarily through, Wave NFT (Master) Fund, Ltd. (the “Master Fund”), a BVI business company, utilizing a “master-feeder” structure. The General Partner serves as the Investment Manager for the Funds and will make all investment decisions for such entities. In addition to its management of the Fund, the General Partner will conduct the investment activities of the Master Fund.

The Funds participate on a pro rata basis in the profits and losses of the Master Fund and bear a pro rata portion of all expenses of the Master Fund based on the net asset value of their respective interests in the Master Fund. The purpose of the Master Fund is to achieve trading and administrative efficiencies. No additional fees are payable by the Funds in

connection with the Funds' investment in the Master Fund. Although investment activities are currently anticipated to be conducted exclusively at the Master Fund level, the Funds may also conduct direct investment activities (either exclusively or supplemental to investment in the Master Fund) in the future if deemed necessary or advisable due to tax, regulatory or other legal considerations, or for any other reason, each in the sole discretion of the General Partner.

The Funds' long-term investment objective is to seek above-average rates of return through short and long-term capital growth by investing primarily in NFTs and other digital assets. The General Partner intends to maintain a ratio of 70/30 across collectibles and platforms/protocols, or use a different ratio, as determined in General Partner's sole discretion. The Fund may also stake and lend assets to generate returns. The Fund may also make investments in other types of securities or other investments as more fully described in the Confidential Private Placement. There is no assurance that the Fund will achieve its objective, its target return or any return or that it will not incur significant losses.

Investment in the Funds is subject to substantial risks, terms, conditions, jurisdiction and restrictions described in full in the Confidential Private Placement Memorandum (PPM) dated September 7, 2021 (NFT Fund) and the Confidential Private Placement Memorandum (PPM) dated September 8, 2021 (Offshore Feeder). As of March 31, 2022, the Funds have AUM of \$19,043,000.

#### **Investment Adviser to the Wave ADA Yield Fund, Ltd.**

Wave Financial is the discretionary Investment Manager and Independent Director of Wave ADA Yield Fund, Ltd. The Fund is a business company limited by shares formed under the laws of the British Virgin Islands on October 29, 2021 to operate as a "professional fund" primarily for the benefit of non-US persons and Permitted U.S. Persons.

The Fund's investment objective is to capture returns primarily by lending (or engaging in repo transactions with respect to) ADA and other digital assets as a liquidity provider or as a depositor to decentralized financial applications or DAPPS, and by providing liquidity for trading pairs on various DAPPS. The Fund may also engage in (1) the staking of digital assets for yield, (2) the purchase of digital assets, (3) the collection of new crypto assets and the equity of crypto-related companies through airdrops and forks, and (4) opportunistic capitalization on any additional new strategies that emerge within the decentralized finance ecosystem.

Investment in the Fund is subject to substantial risks, terms, conditions, jurisdiction and restrictions described in full in the Confidential Private Placement Memorandum dated January 2022. As of March 31, 2022, the Fund has AUM of \$126,013,000.

#### **Other Information**

The Adviser does not participate in or sponsor a wrap fee program.

### **Item 5 – Fees and Compensation**

#### **Discretionary Treasury Management, Discretionary Management Services ("Managed Accounts")**

For Managed Accounts, Wave Financial is compensated by a management fee on a monthly or quarterly basis in accordance with the fee calculations established in the separate Client agreement.

For non-securities digital asset component of a Client account, the Adviser will recommend that the Clients open a Coinbase Custody sub account, designating the Adviser as interested party with discretionary authority.

If a client does not receive account statements directly from the qualified custodian, the Adviser must continue sending quarterly account statements to that client and to undergo an annual surprise examination by an independent public accountant to verify the funds and securities of that client.

For its discretionary management services, each Client shall pay to Wave Financial an annual management fee (the "Management Fee") of 0.1% to 2.0% payable in monthly or quarterly in arrears and such Management Fee shall be determined based on the value of such Client's assets under management as of the beginning of such month or quarter. Alternatively, Wave Financial and the Client may agree to a compensation schedule based on a per-contract fee, or a

combination of an asset based and per-contract fee. The Client's fee is provided and agreed in the separate Client agreement and may vary depending on account size, management style, investment restrictions and other criteria. The Management Fee is negotiable.

If Client contributes assets to a Managed Account(s) on a date other than the first day of a month the Managed Account(s) shall be charged a prorated portion of the Management Fee for that month with respect to such contribution, based on the number of days remaining in that month and based on the value of the contributed assets on the last day of such month.

If Client deposits or withdraws all or a portion of the assets in excess of 10% of the value of the account from a Managed Account, whether on termination of the Client agreement or otherwise, on any date other than the last day of a month or quarter, as the case may be, the Management Fee paid for that month or quarter with respect to the portion deposited or withdrawn shall be prorated based on the number of days elapsed and the value of the assets deposited or withdrawn in that month.

The custodian will be responsible for determining the net asset value of a Managed Account(s), and such calculation shall be confirmed by Client and Wave Financial in good faith.

Client shall bear all investment expenses relating to the Managed Account(s), including, but not limited to: (i) brokerage commissions, issue and transfer taxes, administration fees, custodial fees, and bank service fees; and (ii) any other reasonable expenses (including legal fees) related to the purchase and sale of assets, where such other expenses are approved by Client in writing. Wave Financial shall have no authority to bind Client to any service provider and Wave Financial shall not incur any expenses on behalf of Client, other than commissions charged by brokerage firms, futures commission merchants, or financial counterparties exclusively authorized by Client. Brokerage expenses shall be itemized and allocated by Wave Financial as reasonably required by Client upon request. Wave does not receive any portion of the costs and expenses discussed in the foregoing paragraph.

Clients are hereby advised that lower fees for comparable services may be available from other sources.

Wave Financial LLC and its related persons do not accept transaction-based commissions.

#### **Wavemaker Genesis Master Fund, Ltd., Wavemaker Genesis Fund, LLC and Wavemaker Genesis (International) Fund, Ltd. Fees**

The Adviser earns a 2% annualized management fee calculated monthly and charged quarterly in arrears, as 1/12 of the annualized rate multiplied by net asset value as of month end, with certain exceptions for side pockets as described in full in the PPM.

The Adviser is entitled to earn all or a part of a 20% annualized allocation calculated and allocated annually (or upon mid-year withdrawal or redemption) with loss carryforward, subject to other terms and conditions. As for the management fee, certain specific terms and exceptions apply and are described in the PPM.

#### **Wave BTC Growth and Income Fund, LLC Fees**

"Net Asset Value" or "NAV" is the value of the assets as held by the Fund, which includes the Growth Pool (held in BTC) and the Income Pool (in either BTC or USDC) minus the value of the outstanding call option positions that the fund has sold and outstanding expenses, as calculated by the Administrator (as defined below) on a monthly basis. Growth Pool" is the of assets of the Fund (which the Investment Manager expects to hold in BTC). The Growth Pool serves as the collateral for the options that the Fund writes (sells). "Income Pool" is the pool of premium generated (in BTC or USDC) from selling of the call options. This is used for expenses, management fee, Dividend Distribution, the Performance Fee and recapitalization of the Growth Pool.

The Fund charges an upfront sales load of 3% to the Investment Manager. Details regarding the impact of this amount on NAV is provided in the POM

The Fund will pay a management fee to the Investment Manager calculated and charged monthly in arrears equal to 1/12th of 1% (1% per year) multiplied by month-end Net Asset Value ("Management Fee"), and a Performance Fee of 5% of the option premium that is paid to the Investment Manager.



The Fund bears all expenses which the Investment Manager does not assume. Detail regarding the expenses is found in the POM.

#### **Wave Kentucky Whiskey 2020 Digital Fund, LLC Fees**

“Net Asset Value” of the Fund will be calculated by the Fund Administrator on a quarterly basis, based on the assets held in the fund minus any expenses. Asset value will be estimated based on the average sale price of barrels over the quarter times the number of barrels in the inventory. If no sales are done, or if barrels are sold away from the market price, then the barrel price will be estimated by Wave Financial in conjunction with our domain advisor and other available market data at that time.

Investors will pay a 5.0% upfront management fee (“Management Fee”), collected at time of investor contribution, and 1.0% p.a. annualized Management Fee calculated and charged quarterly in arrears, at a rate multiplied by Net Asset Value at end of the quarter.

The performance fee (“Performance Fee”) will be 15.0% of the net increase in value, calculated based the difference of sales price, minus the acquisition cost and Barrel Specific Fees. This fee is only applicable to inventory that has been sold.

Wave Financial may, in its sole discretion, have all or a portion of the Management Fee paid directly to any affiliate or third party. The Investment Manager may agree to modify, waive, or otherwise affect the terms of such fees for any investor or category of investors, without notice to other investors.

#### **Wave Select 5 Crypto Index Fund, LP Fees**

A management fee (the “Management Fee”) will be paid monthly in arrears to the General Partner. The Management Fee is equal to 0.08333% (approximately 1% annually) of the closing Capital Account balance of each Limited Partner for such month.

The Fund is not subject to a performance fee, performance allocation, or carried interest.

Wave Financial LLC may, in its sole discretion, enter into arrangements with Limited Partners under which the Management Fee is reduced, waived or calculated differently with respect to such Limited Partners, including, without limitation, Limited Partners that are members, affiliates or employees of Wave Financial LLC, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make a substantial investment or otherwise are determined by Wave Financial LLC in its sole discretion to represent a strategic relationship.

#### **cFund, Ltd., cFund US, LLC and cFund Global, LTD (cFunds) Fees**

Investors in the cFunds are subject to a 2% annualized management fee (“Management Fee”) calculated monthly and charged quarterly in arrears, as 1/12 of the annualized rate multiplied by net asset value as of the applicable month end. The Management Fee may be charged at the Fund level or, to reflect different fee or related arrangements, at the Interest level. In addition, 20% annualized allocation of gains of net asset value is paid to Wave Financial LLC (the “Performance Allocation”), calculated and allocated quarterly in arrears. The Performance Allocation may be applied at the Fund level or, to reflect different fee or related arrangements, at the Interest level.

The cFunds’ Performance Allocation may be subject to certain restrictions such as requirement to obtain a ruling from governmental authorities.

#### **Wave NFT Fund, LP and Wave NFT Non-Fungible (BVI) Fund I, Ltd.**

Investors in the Funds are generally subject to (i) a monthly management fee, payable in arrears, equal to one twelfth (1/12) of two percent per month of such investor’s capital account balance as of the end of such month; (ii) an annual performance allocation calculated on the last business day of each fiscal year equal to 20% of each investor’s ratable share of the Fund’s profits for such fiscal year, but only to the extent that such profits exceed such investor’s “high water mark,” and (iii) a sales charge equal to 3% of the subscription amount to the Fund of such investor. The sales

charge may be waived by the General Partner in its sole discretion. An investor's "high water mark" is such investor's highest historic capital account balance as of the end of any prior fiscal year or, if higher, such investor's capital account balance immediately following its admission to the Funds.

**Wave ADA Yield Fund, Ltd.**

The Fund pays an annual management fee of 1.0% payable monthly in an amount equal to one-twelfth of the result of the management fee rate times the net asset value of each series of shares as of the end of the month. The management fee is calculated before taking into account the estimated accrued incentive fee, if any. At the end of each month, the Fund pays an investment fee determined on a series by series basis equal to 15% of the amount, if any, by which the net yield for the series and month exceeds the hurdle value, based on certain terms, conditions, and defined terms as are provided in detail in the Confidential Private Placement Memorandum.

The Fund bears its own expenses, excluding operating, overhead and administrative expenses of the Wave Financial LLC, as described in detail in the Confidential Private Placement Memorandum.

**ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Each of the following Funds charges a performance-based fee as described above and disclosed in detail in the respective offering document(s): Wavemaker Genesis Master Fund, Ltd., Wavemaker Genesis Fund, LLC and Wavemaker Genesis (International) Fund, Ltd., Wave Kentucky Whisky 2020 Digital Fund, LLC and Wave BTC Growth and Income Fund, LLC, cFunds, and NFT Funds.

Reviewers of this Brochure are hereby informed that the Adviser charges performance-based fees ONLY to Qualified Clients as defined in SEC Section 205-3 and explained below.

"Qualified Client" pursuant to SEC Section 205-3 means:

(i) A natural person who or a company that immediately after entering into the contract has at least \$1,000,000 under the management of the investment adviser;

(ii) A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:

- Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000, at the time the contract is entered into; or
- Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or

(iii) A natural person who immediately prior to entering into the contract is:

- An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or
- An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Investors are hereby informed that the conflicts of interest exist as a result of performance-based fee accounts and non-performance-based fees including but not limited to the following:

- The Adviser and its supervised persons have an incentive to favor accounts for which the firm and its supervised persons receive a performance-based fee. To mitigate this conflict, the firm does not compensate its supervised persons based on performance-based fees.
- In order to generate higher returns adequate to trigger performance-based fees, the Adviser is likely to take more risk. The Adviser mitigates this conflict by making appropriate disclosures to clients, and by limiting performance-based fees to accounts/funds offered only to accredited investors with adequate sophistication to understand and accept the associated risk and in accordance with SEC rules and regulations.

## ITEM 7 – TYPES OF CLIENTS

The Adviser provides investment advisory services to institutional investors, corporations, family offices and in some cases, high net worth or sophisticated individuals. While the Adviser may, as an accommodation, accept accounts that have fewer assets, the Adviser generally seeks clients with investable assets of at least \$1 million.

The Adviser also serves as the Investment Manager for Private Funds.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Account's investment strategies and investment techniques involve significant risks. Although the Adviser will use what it considers seasoned investment research techniques and risk management strategies in investing and trading for the Account, an investment in the Account should be considered speculative and involves substantial risk. Investing in digital assets involves a substantial risk of loss that Clients should be prepared to bear.

In considering an investment in the Account, prospective investors should be aware of certain special considerations and risk factors, which include, but not limited to, the following:

- General Investment Risk, *i.e.*, the risk of deterioration in the financial markets in general;
- Strategy Risk, *i.e.*, the risk that the Account's investment strategies and/or investment techniques may not work as intended;
- Institutional Risk, *i.e.*, the risk that the Account could incur losses due to: (i) the failure of counterparties to perform their contractual commitments to the Account or (ii) the financial difficulty of brokerage firms, banks or other financial institutions that hold the assets of the Account;
- Digital Asset Risk, *i.e.*, the unique and unusual risk associated with digital assets. The protocols underpinning digital assets are often new and untested. As such, they are prone to unpredictable attacks and security breaches. Many protocols are still at a very early stage of their developments and their success or usefulness is largely undetermined. Many such projects may come or already are under scrutiny by regulatory agencies due to funding sources, structure, and for other reasons. None of these risks can be eliminated, even though the Adviser takes informed steps to understand, mitigate and communicate these risks to Clients. Certain cash deposits may be FDIC insured subject to federally mandated limits; however most are not and ALL securities including digital assets ARE NOT insured by the FDIC or SIPC.
- Operational Risk, *i.e.*, the special considerations and risks arising from the day-to-day management of a pooled investment vehicle like the Account;
- Regulatory Risk, *i.e.*, the special considerations and risks arising from the regulatory environment in which the Account operates;
- Tax Risk, *i.e.*, the special considerations and risks arising from the operation of an investment vehicle treated as a partnership for U.S. federal tax purposes; and
- ERISA Risk, *i.e.*, the special considerations and risks applicable to employee benefit plans and similar arrangements (including individual retirement accounts) that may invest in the Account.

**Methods of Analysis.**

In providing investment advisory services, the Adviser's analysis methods include a review of the fundamentals of the investments recommended for client accounts, other fundamental analysis, technical factors (including at times review of charting) as well as the cyclical elements of the securities markets (to a more limited extent) and economic cycles. While a number of different factors, data and information will be considered and used by the Adviser in making securities selection decisions, the primary method used by Adviser is the matching of liabilities of the Client to the cash flow from investments.

**Investment Strategy.**

The Adviser deploys a unique investment strategy for each client, based on its unique objectives, risk profile and other criteria.

**Risk of Loss.** The Adviser's investment strategy is speculative and entails substantial risk of loss. Although the above sets forth certain general investment strategies, the Adviser may undertake additional strategies or investments consistent with its overall investment objective. There can be no assurance that the investment objectives of the Adviser will be achieved. In non-discretionary managed accounts, the Adviser has authority to undertake new strategies or investments without first contacting the Client. The Adviser's strategies could result in substantial losses. Clients should be prepared to bear the loss of some or all of the invested amount.

**ITEM 9 – DISCIPLINARY INFORMATION**

The Adviser has no disciplinary event(s) to disclose.

**ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser is not, but principals of the Adviser are engaged in other financial industry activities. None of these activities involves being registered or having an application to be registered as a broker-dealer, or being registered or having an application to be registered as a commodity pool operator, a commodity trading advisor, a futures commission merchant, or an associated person of any of the foregoing entities.

Please see each individual's Form ADV Part 2B for information about any activities outside of their employment with the Adviser.

**ITEM 11 – CODE OF ETHICS**

**Code of Ethics and Personal Trading.** The Adviser has adopted a Code of Ethics for all of its supervised persons, describing its high standard of business conduct and fiduciary duty to its clients. Included within the Code is a policy to conduct the Adviser's activities in accordance with the highest ethical standards and in accordance with all applicable laws and regulations. In addition, the Code provides that employees are required to provide the Adviser with information as to securities transactions and holdings in employee accounts. (For purposes of the Code, an employee's or principal's "personal account" generally includes any account (a) in the name of the employee or principal, his/her spouse, his/her minor children, or other dependents residing in the same household, (b) for which the employee or principal is a trustee or executor, or (c) which the employee or principal controls). Also, certain non-public investment opportunities are brought to the Adviser's attention through the personal relationships with the Adviser's employees or affiliates (instead of client account activity); clients may not be given the opportunity to invest in these securities absent unusual circumstances. Instead, the Adviser's employees or affiliates may invest in these non-public securities for their own accounts.

All supervised persons must acknowledge the terms of the Code of Ethics initially upon the commencement of employment, annually, or upon a material amendment to the Code. A copy of the Adviser's Code of Ethics is available upon request.

**Participation or Interest in Client Transactions.**

The Adviser shall invest and reinvest the separately managed accounts' assets in accordance with the Client's investment guidelines. All trading on behalf of the separately managed accounts shall be done on an agency (not a principal) basis. The Adviser shall not engage in any agency cross trades with respect to the separately managed accounts.

### **Conflicts of Interest**

Neither the Adviser nor any associated person is permitted to recommend to Clients, or buy or sell for client accounts, securities in which it/he/she has a material financial interest unless Clients are provided with disclosure of facts and information including potential conflicts of interest. There is a possibility however, that related person may recommend securities to Clients, or buy or sell securities for client accounts, at or about the same time that the related person buys or sells the same securities for his/her own account. To mitigate any conflict of interest, the Adviser monitors employee activity to ensure that the related person's transaction will receive either the same price/terms as that of the Client, or, if not feasible, the Client will get the more favorable price/terms.

The Adviser anticipates that, in appropriate circumstances and consistent with Clients' investment objectives, the Adviser will cause accounts or Funds over which the Adviser has management authority to effect, and will recommend to Clients or prospective Clients, the purchase or sale of securities in which the Adviser, its affiliates, Clients and/or Funds, directly or indirectly, have a position or interest. Principals of the Adviser monitor activity on an ongoing basis to address conflicts of interest that result from transactions in separately managed accounts and in the Funds to mitigate the impact of the conflict on any Client or Fund.

In addition, there will be circumstances in which the Adviser's personnel will trade for their personal accounts in a manner that differs from actions taken for client accounts, including securities which are recommended to, purchased for and/or held by Clients or Funds. Principals of the Adviser monitor employee transactions in an effort to ensure that conflicts of interest are mitigated.

The Code of Ethics is designed so that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Adviser will provide a copy of its Code of Ethics at no charge to any Client or prospective Client upon request.

## **ITEM 12 – BROKERAGE PRACTICES**

Wave Financial will execute transactions on behalf of the Managed Account(s) and Funds in accordance with internal policies and procedures.

The Adviser recommends that clients utilize the qualified custody, brokerage and/or clearing services of Coinbase Custody ("qualified custodian") for funds and securities. Adviser may, under certain circumstances where feasible, accommodate client instructions to deliver securities in certificate form.

The Adviser periodically reviews its selection of qualified custodians in light of its duty to obtain best execution. Factors which the Adviser considers in selecting qualified custodians include their respective financial strength, reputation, execution, pricing, research and service.

The Adviser does not engage in soft dollar transactions.

The Adviser does not generally aggregate transactions based on its individualized management strategies. If the Adviser recognizes that an opportunity to aggregate transactions for the benefit of its Client(s) or Fund(s) exists, it will adhere to the following policies:

- A pre-trade allocation record shall be created to document the allocation strategy
- the Adviser will take all available steps to ensure that the allocation is distributed fairly across the Funds/Accounts to which the transaction applies in the pre-trade allocation

It is the Adviser's policy to determine in good faith that the value of a client's portfolio securities is reasonable, appropriate and based upon "fair value" or the price that a client might reasonably expect to receive upon the current sale of its securities. Each of the Funds managed by Wave is subject to valuation practices as set forth in the offering documents and in its Compliance Program. With respect to its managed accounts, Wave invests in assets that are priced no less frequently than monthly by the Clients' custodian and/or by its administrator.

- Wave Financial utilizes, to the fullest extent possible, recognized and independent pricing services and/or qualified custodians for timely valuation information for advisory client securities and portfolios.
- On behalf of each Fund the Firm shall engage a third-party administrator whose duty it is to perform the valuations according to the fund offering documents. The CCO shall periodically confer with the administrator to assess the accuracy of the valuation practices and to address any concerns or weaknesses.
- Whenever valuation information for specific illiquid, foreign, derivative, private or other investments is not available through pricing services or custodians, the CCO, trader(s) or portfolio manager(s) will obtain and document price information from at least one independent source it reasonably deems to be reliable.
- Any securities without market valuation information are to be reviewed and priced by the CCO and/or administrator in good faith to reflect the security's fair and current market value, and supporting documentation maintained.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Adviser shall review the holdings reports for the Managed Account(s) and will advise the relevant Client and the custodian when it identifies discrepancies (if any). If Client identifies any such discrepancies, upon its request to the Adviser, the Adviser will work with such Client and the custodian to resolve such discrepancies. The Adviser shall provide investors in the Funds with quarterly Investor Reports issued by its administrator. The Adviser shall provide investors in separately managed accounts with reports no less frequently than quarterly.

No less than quarterly, the Adviser will review accounts for consistency with client mandates among other reviews. Other reviews may be performed off-cycle due to market conditions, new monies invested by a Client, and for other reasons. The reviews are performed by supervised persons who include or are supervised by principals of the firm. Discretionary Treasury Management Accounts are reviewed on an ad hoc basis, but no less frequently than monthly, as applicable to the specific client circumstance and instruction.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser has engaged distributors who are compensated to market its Funds and Services to potential investors. The Distributors are compensated from the customary fees charged by the Adviser, and the referral of the investor by a Distributor does not increase the overall fee or costs to the investor. When referred to the Adviser by a Distributor, the investor is provided with a statement of disclosure that describes that the Distributor is subject to contractual terms established between the Distributor and the Adviser, how the Distributor is compensated, and other disclosure information.

The Adviser does not receive compensation for referrals to third parties.

### **ITEM 15 – CUSTODY**

The Adviser places Clients' digital assets in custody with Coinbase Custody, an institutional-grade service optimized for storing large amounts of crypto currency on a framework designed to be highly secure. Coinbase Custody is licensed under New York State Banking Law to operate as an independent Qualified Custodian, operating as a Limited Purpose Trust Company chartered by the New York Department of Financial Services (NYDFS).

Because in some instances the Client does not receive account statements directly from the qualified custodian, the Adviser must send quarterly account statements or reports providing account information to that client and to undergo an annual surprise examination by an independent public accountant to verify the funds and securities of that client.

## **Item 16 – Investment Discretion**

The Adviser offers discretionary advisory services. In a discretionary account, Client grants the Adviser the authority to place trades without prior notification to Client.

Regardless of the discretionary authority the Adviser has with respect to a Managed Account, when recommending securities to and determining amounts of securities to effect for such Managed Account, the Adviser observes the investment policies, limitations and restrictions of the Client associated with such Managed Account. Client investment restrictions must be provided to the Adviser in writing.

## **ITEM 17 – VOTING CLIENT SECURITIES**

The Adviser has discretion to vote the proxies of its advisory clients in Managed Accounts and for the Account(s) (collectively for this section “Managed Assets.” Wave Financial will vote any such proxies in the best interests of the beneficial owners of the Managed Assets. The procedures are designed to identify and mitigate material conflicts of interest. The Adviser has established general guidelines that generally grant discretion to the Chief Compliance Officer for voting. A copy of Wave Financial’s proxy voting policies and procedures are available on request. The Adviser will not consult with Clients prior to reaching its decision. The Adviser mitigates conflicts of interest by making its proxy voting policies available to Clients, including its past voting record(s) on request.

## **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisors are required in this Item to provide their clients with certain financial information or disclosures about such advisors’ financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.

The Adviser does not require or solicit prepayment of more than \$1200 in fees per client six months or more in advance.