

PART 2A OF FORM ADV: BROCHURE

Item 1. Cover Page

Coherence Finance Inc.

933 West Van Buren Street
Chicago, Illinois

September 7, 2022

This Brochure provides information about the qualifications and business practices of Coherence Finance, Inc. (“Coherence,” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Coherence’s Chief Compliance Officer at (708) 277-9131. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to Coherence as a registered investment adviser does not imply a certain level of skill or training. Additional information about Coherence also is available on the United States Securities and Exchange Commission’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is the initial filing of Coherence’s Brochure. In the future, this Item 2 will discuss specific material changes that have been made since the annual filing and will provide a summary of those changes, which will be reflected below.

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Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Advisory Business

Coherence Finance Inc. (“Coherence” or the “Firm”) was formed in February of 2022 as a Delaware corporation.

Principal Owners/Ownership Structure

Coherence Finance Inc., a Delaware corporation, which is owned 33.3% by Andrew Gunderman, the Firm’s Chief Compliance Officer; 33.3% owned by Sage Farrenholz; and, 33.3% owned by Kevin Xiang.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

Coherence provides portfolio management services via an interactive web platform and mobile application (“the Platform”). This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are based on individual characteristics, such as the Client’s age, risk tolerance, income, and current assets, among others.

Among other things, Coherence offers various baskets of cryptocurrency-related investments (as defined below) on the Platform, each of which has its own investment program including, without limitation, a description of the Collection as well as its investment objectives, guidelines, and restrictions applicable to each Collection (each, an “Investment Program”). The Platform contains detailed descriptions of the Investment Program for each Collection which can be found at www.coherence.finance, or on the Coherence mobile app.

Clients access the Platform and provide information to Coherence about their total investable assets, risk tolerance for their investment, and their investment preferences. Clients may choose one or more model portfolios (“Collections” or “Baskets”) based on their investment preferences and adjust the allocations of their Baskets. Coherence will recommend specific Baskets by providing Clients with information about the baskets to inform their decision-making. Clients can also impose reasonable restrictions on the management of the account by indicating any assets that should not be traded in their accounts. Each Basket is comprised of a set of digital assets that are chosen and weighted to it

particular investment goals of a Basket as a whole. Once Clients select their Basket allocations, Clients may re-allocate their accounts at will through the platform's account portal. Clients invest directly in the assets that make up each Basket and some assets may be included in multiple Baskets.

Coherence Clients are empowered to invest through Baskets, to which individual Clients select preferred allocation weights within their account. These Baskets feature thematic exposure to digital assets, as described below. Through these Baskets, Coherence provides Clients with a relatively low-cost, low-friction, user-friendly entry point to digital asset investing.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Coherence does not tailor its Baskets to each Client. Coherence creates curated model baskets in which Clients can choose to invest based on their own discretion. Coherence may make advisory recommendations as to Client allocations across the baskets based on the information provided through the Client's account creation questionnaire. Clients may provide Coherence with reasonable restrictions on their investing through the platform. Coherence prompts clients to revisit information and restrictions provided annually. As noted above, Clients may impose reasonable restrictions on the digital assets Coherence includes in a Client's account through the model portfolios by indicating any assets the Client does not want purchased for his or her account. This occurs during the onboarding process and through the dashboard.

Since Coherence's services rely heavily on the information provided to the Firm by the Client in the account creation questionnaire, if the Client provides inaccurate or incomplete information at any point, Coherence's advice may not be correctly tailored to that Client's desired basket recommendation.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Coherence does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

As of the filing date, Coherence does not provide investment advice to any Clients. Therefore, as of the time of this filing, Coherence does not have any regulatory assets under management.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Coherence earns its fees and compensation by providing asset management services. Coherence's compensation consists of a fee based on a percentage of the Client's assets under management (the "Management Fee"). Coherence's Management Fee for each account is 1.0% (on an annual basis) of the closing amount of net assets under management.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

At the end of every month, Coherence directly bills Clients for Management Fees incurred. The Management Fee is assessed in arrears based on the Client's account balance at end of the prior month and deducted from the Client's account. If Clients terminate their accounts or transfer assets out of their accounts prior to the end of a month, they are still subject to any unbilled fees incurred at the time of account termination or transfer.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Coherence. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Coherence collects its fees in arrears. It does not collect fees in advance.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Neither Coherence, nor its supervised persons, accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

Coherence does not charge performance-based fees.

Item 7 – Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Coherence generally provides investment advice to retail investors. A retail investor, also known as an individual investor, is a non-professional investor.

There is currently no account minimum for any of Coherence's services.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

Coherence offers investment exposure to digital assets using Baskets composed of assets that align with a stated investment theme or strategy. The thematic Baskets may focus on currencies, computing platforms, market capitalization (e.g. Large Cap, Small Cap), or other characteristics. The individual assets that are featured in each thematic Basket may be evaluated on the following: availability of asset custody, liquidity profile, risk/return profile, status of the asset as a security, and/or a restricted security, and other considerations based on the unique circumstances of each asset. Coherence continuously evaluates all available assets and creates a curated approved asset list.

Coherence provides Clients with cryptocurrency investment recommendations based on each Client's interests, goals, financial situation, and risk tolerance. Such information is collected during the Client onboarding stage and processed by Coherence's investment analysis software to suggest

multiple investment portfolios (Baskets) that a Client may choose.

Coherence will periodically review the available population of cryptocurrency assets to identify the new assets and baskets that align with interests, goals, and risk tolerance. Assets must be screened before they are eligible for inclusion in a Coherence basket or offered on the Platform. Assets are screened based on availability of custody, technology factors, or other considerations as deemed appropriate. The screening process may include evaluation of the company or team associated with the digital asset, any publicly available materials on the assets or individuals involved in the digital asset formation and competitive advantages of the assets.

Additional analysis criteria deemed important in the screening of assets offered through Coherence may be added to this list in the future as necessary to protect Client capital. A complete list of cryptocurrency assets and description of Baskets that are available for investment at any given time is available to view on the Platform. Coherence only offers cryptocurrency assets supported by Coherence's custodians.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Risks associated with investment strategy - Investing in digital assets involves a high risk of loss that Clients should be prepared to bear. An investment in cryptocurrency assets is suitable only for certain investors for whom such investment does not constitute a complete investment program, who are willing to assume, and have the financial resources necessary to withstand, the risks involved in investing in cryptocurrency, and who can bear the potential loss of their entire investment on the platform. There is no assurance as to whether the investments will be profitable. Any investment made on the platform may result in a total loss of the investment. Notwithstanding the method of analysis or investment strategy employed by Coherence, the assets of each Client are subject to risk of devaluation or loss. Clients should note that many different events can affect the value of Coherence's portfolios, including, but not limited to, market fluctuations, economic reports, terrorism, and natural disasters.

Limited Investment History – Digital assets have only emerged as an investment opportunity in the past several years and are thus a relatively untested source of returns. It is unclear what the long-term profitability of digital assets will be, and their short history thus far is particularly unreliable for predicting future success.

Availability of Digital Assets – Coherence will only be listing a limited number of types of digital assets on the platform. Therefore, Clients may not have exposure through the platform to many other

digital asset investments. Additionally, as described above, if regulators find that the digital assets on the platform are not freely tradable it could negatively impact their value and decrease the number of digital assets available for investment on the platform.

Key Personnel – Coherence depends, in part, on its ability to attract and retain key personnel. Coherence’s future also depends on the continued contributions of the executive officers and other key personnel, each of whom would be difficult to replace. The loss of the services of any of Coherence’s key principals or other personnel, and the process to replace them would involve significant time and expense and may significantly delay or prevent the achievement of Coherence’s business objectives.

Lack of Established Track Record – Coherence is a relatively new entity that has limited operating history upon which a prospective Client may base its investment decision. There can be no assurance that Coherence will be able to successfully implement its business plan. The success of Coherence should be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the inception of a business, operation in a competitive industry, and the continued development of advertising and a corresponding Client base. For these and other unforeseeable reasons, there can be no assurance that Coherence will achieve or sustain profitable operations. The performance of prior investment entities and business ventures associated with Coherence’s key personnel and principals is not necessarily indicative of Coherence’s future performance.

Third Party Information – Coherence will provide Clients information from third-party sources related to the digital assets listed on the platform. Coherence relies on these representations and does not independently verify this information. As a result, Coherence can make no assurances as to the completeness or accuracy of any such information.

Platform information – Although Coherence intends to provide accurate and timely information on the platform, the platform may not always be entirely accurate, complete or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide as complete and accurate information as possible, information may be changed or updated from time to time without notice, including without limitation information regarding Coherence’s policies, products and services. Accordingly, Clients should verify all information before relying on it, and all decisions based on information contained on the platform are solely the Client’s responsibility and Coherence shall have no liability for such decisions.

Competition – There is increasing competition in the digital asset market. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector, and the competition for investment opportunities is high. Some of Coherence’s potential competitors may have greater financial and personnel resources than Coherence. There is no guarantee that Coherence will successfully implement its proposed strategy

and develop a viable business on (or off) the platform. If Coherence or the platform is not able to develop a viable business, then that could present a risk to the Client's investments held on the platform.

Service Providers – The institutions with which Coherence (directly or indirectly) does business, such as banks and other financial institutions, may encounter financial difficulties that impair the operational capabilities or the capital position of Coherence. Coherence relies heavily on various service providers to perform many of the functions required to fulfill its investment objective, including the Custodian (as defined below). Should any of these service providers experience financial, regulatory, or other difficulties that affect their operations, Coherence's operational capabilities and financial position would be adversely affected. This is particularly acute in light of the changing regulatory landscape for digital assets, which could affect the regulatory standing of service providers, and may cause them to change their business models or cease providing services Coherence depends on altogether. In particular, if the Custodian (as defined below) is no longer able to successfully provide services to Coherence, and an appropriate alternate Custodian (as defined below) is not immediately available, this could have a negative impact on Coherence and the platform, as described below.

Portfolio Allocation and Rebalancing – Coherence's algorithmic portfolio recommendations may not successfully achieve an investors' goals for a variety of reasons, including unexpected market events or trends that the algorithm does not anticipate, as well as inaccurate, incomplete, or otherwise faulty data used by the algorithm and/or provided by the investor. While Coherence seeks to continually improve its algorithmic system, it does not guarantee it will result in positive returns on investment. In addition, when Coherence rebalances the portfolios, it is possible that the system could err and fail to execute a requested trade.

Some of the additional general risks that Clients should consider include, but are not limited to:

Software & Technology Risk – Once Coherence gathers Clients' interests, goals, and risk tolerance, the Firm's investment analysis software uses this information to suggest multiple investment baskets that a Client may select. Account rebalances are also executed programmatically using the Coherence's proprietary software platform. Clients should note the following risks:

- i. Coherence's software may still make incorrect assumptions about a Client's financial situation. There is always a possibility that the simulator may experience technical malfunctions that would cause its recommendations to be inaccurate.
- ii. The software can only base its output on the input from the Client. As such, the software's output is only as accurate as the data the Client inputs.
- iii. The output that the software generates may not assess all of the Client's particular situation. Special circumstances, qualitative characteristics, and other intangible components of a Client's personal background that are not captured by the software may cause the

software's assumptions to be incorrect.

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

Effect of General Economic Conditions – General economic conditions may affect the Firm's investment activities. Changing economic, political, and regulatory or market conditions, general levels of economic activity, the price of digital assets, and participation by other investors in the financial markets may affect the value and number of investments made by the Firm or considered for prospective investment. Different parts of the market and different types of investments can react differently to these developments. Every investment has some level of market volatility risk. Economic slowdowns or downturns could lead to financial losses in the Firm's investments. In addition, many of the Firm's investments may be similarly subject to the same economic conditions, which could adversely impact the Firm's investment returns.

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

assets a Client account invests in, may also subject a Client account and/or the Firm to these cybersecurity risks. The Firm has established policies and procedures reasonably designed to reduce the risks associated with cyber incidents, including the risk that federal securities laws are broken due to a cyber incident. However, there can be no assurance that these policies and procedures will prevent cyber incidents.

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

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

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

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

Some of the risks as they pertain to digital assets that Clients should consider include, but are not limited to:

Concentration Risk – Concentrating investments in the digital assets sector increases the risk of loss, because developments that adversely affect the sector as a whole may cause most if not all of Coherence's investments to decline in value.

Digital Currencies and Digital Assets. Digital assets represent a speculative investment and involve a high degree of risk. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital currency and digital asset exchanges have been closed due to fraud, failure, security breaches, and legal noncompliance. Client assets held on an exchange that shuts down may be lost.

Several factors may affect the price of digital currencies and digital assets, including, but not limited to supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital currencies/ digital assets or the use of digital currencies/ digital assets as a form of payment. There is no assurance that digital currencies and/or digital assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital currency/digital assets payments by mainstream retail merchants and commercial businesses will grow. The prior performance of a digital asset is not necessarily indicative of future results. Many digital assets have experienced high levels of performance and rapid increases in price, followed by significant downturns in performance and similarly rapid decreases in price. Digital currencies and digital assets are created, issued, transmitted, and stored according to protocols run by computers in the digital currency and digital assets network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all Client assets. There may also be network scale attacks against these protocols that result in the loss of some or all Client assets. Some assets may be created, issued, or transmitted using experimental cryptography that could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols that may be negatively affected by technological advances that undermine the cryptographic consensus mechanism underpinning blockchain and distributed ledger protocols. Coherence makes no guarantees about the reliability of the cryptography used to create, issue, or transmit assets.

Certain digital assets may rely on or are built on a public or third-party blockchain, and the success of such blockchain may have a direct impact on the success of digital assets listed on the platform and recommended by Coherence. These digital assets are partly dependent on the effectiveness and success of such blockchains, as well as the success of other blockchain and decentralized data storage systems that are being used by the issuer of the digital assets. There is no guarantee that any of these systems or their sponsors will continue to exist or be successful. This could lead to disruptions of the operations of the issuer of the digital assets listed on the platform and could negatively affect any digital assets held by a Client from such issuer. The digital asset market presents significant risks that could negatively impact Coherence's ability to purchase and sell digital assets on a Client's behalf. For example, the digital asset market frequently involves shallow trade volume, extreme hoarding, low liquidity, and high bankruptcy risk. Blocks of digital assets are often hoarded by a few owners and/or are kept out of circulation. Ownership concentration is high, which increases liquidity risk because large blocks of digital assets are difficult to sell in a timely and efficient manner.

No FDIC or SIPC Protection – Digital currencies are not subject to Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) protections. Since Coherence and its Custodian (as defined below) are not members of the FDIC or SIPC, Client assets are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. While private insurance may be available at times, Client assets are not insured by Coherence.

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

Custodians – Entities that provide custody for digital assets are subject to evolving guidelines from regulatory authorities. Changes in regulation of digital assets or entities that custody digital assets, or changes in how regulators interpret existing regulation applicable to digital assets or entities that custody digital assets, could cause the Custodian to be deemed ineligible to hold digital assets on behalf of Coherence Clients or otherwise adversely affect the custodian. In this event, Coherence would need to change custodians, change its business model or find other ways to comply with the changed regulatory requirements. These regulatory changes are difficult to predict because applicable regulation is still evolving and could adversely impact Client accounts.

Digital Currency and Digital Asset Exchanges – The digital currency and digital asset exchanges on which digital currency and digital assets trade are relatively new and may not be registered as brokers, exchanges, or alternative trading systems. They may therefore be out of compliance with federal or state law. In addition, these exchanges may be more exposed to theft, fraud and failure than established, registered exchanges for other products. In general, digital currency and digital assets exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase digital currency and digital assets, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of digital currency and digital assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires participants to take on credit risk by transferring digital currency and digital assets from a participant’s account to a third-party’s account. Coherence takes on the credit risk of an exchange every time it makes a transaction.

There are currently no U.S. exchanges registered with the SEC where digital assets that are securities can be legally listed and/or traded. While Coherence anticipates that such exchanges will exist in the United States in the future, Coherence cannot and does not guarantee that such exchanges will ever legally operate in the United States. In addition, even if other types of crypto assets are able to successfully be listed on a registered exchange in the United States, there is no guarantee that such

exchange will allow the digital assets traded within the portfolios to be listed on such a registered exchange. Thus, exchanges used by Coherence may not be registered with the SEC and/or in compliance with applicable securities laws, rules and regulations, and any regulatory action relating to the unregistered status or non-compliance of the exchanges used by Coherence could adversely affect Coherence's business. Digital currency and digital asset exchanges may impose daily, weekly, monthly or customer specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of digital currency and digital assets for fiat currency difficult or impossible. Additionally, digital currency and digital assets prices and valuations on digital currency and digital asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of digital currency and digital assets remain subject to any volatility experienced by digital currency and digital asset exchanges, and any such volatility can adversely affect Coherence's investments.

Digital currency and digital asset exchanges are appealing targets for cybercrime, hackers and malware. Even the largest exchanges have ceased operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft, government or regulatory involvement, failure or security breaches, or banking issues.

Any financial, security or operational difficulties experienced by such exchanges may result in Coherence's inability to recover money or digital assets being held by the exchange, or to pay Clients upon withdrawal.

The daily trade volume of digital assets on any given exchange may only be a small fraction of total digital assets. The lack of a regulated market for digital assets and related assets means that market participants do not have as many mechanisms to hedge or create the liquidity in the digital asset market that is typical of traditional capital markets. The digital asset market also currently lacks many institutional participants, which could help to stabilize the market. For these reasons, among others, Coherence may be unable to purchase or sell a digital asset as desired for an extended period of time.

Broker-Dealer Registration – Coherence believes that it is not acting as a broker-dealer required to register under federal or state law. If Coherence were deemed to be a broker-dealer, it would be subject to significant additional regulation. This could lead to significant changes with respect to the platform, how digital assets are listed on the platform, how digital assets listed on the platform are purchased and sold and other issues, and would greatly increase Coherence's costs in creating and facilitating transactions in the digital assets listed on the platform. It could lead to the suspension and/or termination of the platform. In addition, a regulator could take action against Coherence if it views the digital assets listed on the platform and the platform itself as a violation of existing law.

Any of these outcomes would negatively affect the value of the digital assets listed on the platform and/or could cause Coherence to suspend and/or cease operations.

Tax – The tax characterization of digital assets is uncertain. The purchase of digital assets may result in adverse tax consequences to a Client, including withholding taxes, income taxes, and tax reporting requirements.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in an investment with the Firm. Prospective Clients should read the entire Brochure as well as other materials that may be provided by the Firm and consult with their own independent, legal, tax, and accounting advisers prior to engaging the Firm's services.

Past performance is not a guarantee of future returns. Investing in digital assets involves a risk of loss that each Client should understand and be willing to bear.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Registered investment advisers are required to disclose any legal or disciplinary events that are material to an investor or prospective investor's evaluation of its advisory business or the integrity of its management. Coherence and its management personnel have no reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Neither Coherence nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

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

C. Describe any relationship or arrangement that is material to your advisory business

or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

Neither Coherence nor any of its management persons have a relationship or arrangement that is material to the Firm's advisory business.

Clients have the option to purchase investment products that Coherence recommends through other intermediaries, brokers, or agents that are not affiliated with Coherence.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Coherence does not utilize nor select other advisers or third-party investment advisers to manage Client assets. All Client assets are managed by Coherence.

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

A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.

Coherence has adopted a Code of Ethics to govern its ethical obligations regarding personal securities transactions pursuant to Rule 204A-1 under the Advisers Act. The Code of Ethics requires all supervised persons to place Client interests ahead of the Firm's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws.

Supervised persons are required to certify to their compliance with the Code of Ethics upon hire and on an annual basis. Supervised persons of Coherence who violate the Code of Ethics are subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

Coherence will provide a copy of its Code of Ethics to any existing investor upon their individual request.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your

practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Coherence personnel may have an ownership interest in a digital asset that is also recommended to Clients. In the case of all conflicts of interest, the Firm's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Firm's best judgment, but in its sole discretion. The Firm seeks to mitigate potential conflicts through the use of:

- A Code of Ethics (which is described above).
- Annual requirement that supervised persons complete a questionnaire detailing their other activities and potential conflicts.
- Requirement that Supervised Persons pre-clear outside business activities (other than outside activities related to charities, non-profit organizations/clubs, civic/trade organizations).
- Disclosure of potential conflicts of interests and risks in this Form ADV.

Material Non-Public Information and Insider Trading -

The Firm has adopted Insider Trading Policies and Procedures designed to mitigate the risks of the Firm and its supervised persons misusing and misappropriating any material non-public information that they may become aware of, either on behalf of the Firm's Clients or for their own benefit. The policy applies to every supervised person of the Firm and extends to activities both within and outside of their duties to the Firm, including for a supervised person's personal account.

Although rare, the Firm may from time to time acquire confidential, material non-public information ("MNPI") about issuers, corporations, or other entities and their digital assets. The Firm will not use MNPI obtained during making investment decisions for its Clients. Additionally, the Firm may not be free to divulge or to act upon such information with respect to its activities and, on occasion, may be restricted from buying or selling certain digital assets on behalf of Clients because of these circumstances. These restrictions may adversely impact the investment performance of Client accounts. The Firm has implemented procedures, including those described below relating to information barriers that prohibit the misuse of such information by the Firm, its supervised persons, and on behalf of its Clients. Although the procedures do not provide absolute assurance as to the correct handling of MNPI, these procedures have been reasonably designed to aid the Firm's personnel in avoiding insider trading, and to aid the Firm in preventing, detecting and imposing sanctions against, insider trading.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Participation or Interest in Client Transactions -

Certain Coherence supervised persons may invest in the same digital assets recommended by Coherence to its Clients. The Firm's supervised persons may have personal accounts at our Firm that are managed like Clients' and may also, with limited exception, have personal accounts held and managed outside of our Firm. This could give rise to conflicts of interest if trading by Clients is expected to change the value of a digital asset to be purchased or sold by a supervised person. It could also incentivize supervised persons to favor their personal accounts over Clients'. Coherence, as a fiduciary, is obligated to make decisions in the best interest of its Clients if a conflict of interest arises between the Coherence's transactions on behalf of its Clients and those of supervised persons. In order to monitor any conflicts of interest, Coherence supervised persons are required to pre-clear certain contemplated transactions in their personal accounts which may present the appearance of impropriety, including investing in digital assets traded through the Coherence Platform, and must disclose on an initial and annual basis the holdings of all personal accounts, as well as all transactions on a quarterly basis.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Supervised persons are required to seek pre-approval from the Chief Compliance Officer for transactions in Coherence's investable universe; thus, a supervised person wishing to buy or sell the same digital asset for his or her own personal account that a Client is also buying or selling would be required to obtain pre-approval from the Chief Compliance Officer for such transaction.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Coherence will select and recommend any brokers, exchanges, or custodians based on a number of factors, including, but not limited to, ease of administration, quality of execution, commission rates, and pre-existing agreements. Currently, Coherence has elected to use Gemini Trust Company, LLC ("Gemini" or the "Custodian"). Coherence may consider additional exchanges as Client needs arise. Coherence will attempt to obtain the best execution of orders, considering all circumstances, but will not necessarily attempt to obtain the lowest possible commission for transactions to the account. This is in part because Gemini is one of only a few custodians that is a state-regulated trust company.

- 1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and**

discuss the conflicts of interest they create.

Coherence does not receive any soft dollar benefits.

- 2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker- dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

Coherence receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Directed Brokerage

Coherence clients are required to maintain accounts and execute transactions through an exchange of Coherence's choosing. The Firm does not permit a Client to direct brokerage

- B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

Coherence may aggregate sale and purchase orders of digital assets for Clients through an omnibus account Coherence keeps with Gemini. This means that while, as discussed below, Client assets are typically in segregated accounts held by Coherence for the benefit of Clients, in the period immediately before and after a trade, assets may be held in a pooled, proprietary account held by Coherence for this purpose. At all times, Coherence tracks which assets belong to specific Clients. An omnibus account allows for managed trades of more than one person; transactions within the account are carried out in the name of Coherence. As a result, Clients' transactions are combined and executed in the name of Coherence, rather than designated separately.

This practice is reasonably likely to result in administrative convenience or an overall economic benefit to Coherence. Clients also benefit relatively with better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors.

Coherence's policies and procedures mandate aggregating multiple orders. Aggregate orders will be allocated to Client accounts in a systematic manner with no account receiving preference over any other account.

Item 13 – Review of Accounts

- A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Internet-advisory portfolio management accounts are not reviewed by Coherence, save for

automated allocation revisions. Clients are encouraged to update Coherence of any change in their objectives, risk tolerance, or other pertinent information.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

Internet-advisory portfolio management accounts do not undergo non-periodic review by Coherence, allocations will change in accordance with the portfolio management software utilized by Coherence and changes to the Client's profile.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

Clients will receive at least quarterly a written report that details the Client's account including assets held and asset value, which report will come from the custodian and at least quarterly a written report from Coherence.

Item 14 – Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Coherence does not receive an economic benefit, directly or indirectly from any third party for advisory or other services rendered to the Clients.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Coherence does not engage third parties to make Client referrals.

Item 15 – Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

Coherence has custody of Client assets because the Firm deducts fees directly from Clients' assets. Otherwise, Coherence holds all Client funds and assets at Gemini Trust Company, LLC, a New York

state registered trust company. Coherence holds an account with the Custodian for the benefit of each Client. As noted above, directly before and after a trade, Client assets may be held in an omnibus account for purposes of aggregating trades.

Gemini sends monthly account statements directly to Clients. Clients are urged to carefully review these statements and compare them to the reports Coherence provides on its software platform.

Item 16 – Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Coherence maintains discretionary authority to manage portfolios on behalf of its Clients. Clients may place reasonable restrictions on Coherence’s discretionary authority, as described above. To grant Coherence discretionary authority, Clients must sign an Investment Advisory Agreement that gives Coherence permission to place trades to and from Client accounts through Coherence’s omnibus account.

As noted above, Clients provide Coherence information in order for Coherence to suggest allocations among the portfolios. Clients must accept or reject those allocations and make any desired changes.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

Coherence generally does not invest in instruments that are considered equity securities and will not accept authority to vote proxies for Client securities. Some digital asset features, including participation in governance activities, may be considered similar to participating in shareholder votes. Though some digital asset holders may vote on topics that directly or indirectly affect return on investment through on-chain governance, Gemini’s infrastructure does not support this capability and makes no promise of doing so in the future. As such, Coherence Clients are currently unable to participate in such activities through the website.

B. If you do not have authority to vote client securities, disclose this fact. Explain

whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

This Item is not applicable to Coherence.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

Coherence does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients

Coherence has no financial condition that impairs its ability to meet contractual commitments to investors.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 – Requirements for State-Registered Advisers

This Item is not applicable to Coherence.