

- **Item 1 – Cover Page**

OFF THE CHAIN

CAPITAL

Form ADV Part 2A Brochure
March 30, 2022

Off the Chain Capital, LLC

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<https://offthechain.capital>

This Brochure provides information about the qualifications and business practices of Off the Chain Capital, LLC (“Off the Chain”). If you have any questions about the contents of this Brochure, or if you would like to request a free copy of this Brochure, please contact Off the Chain at (618) 910-3560 or johng@offthechain.capital.

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. Registration of an investment adviser does not imply any level of skill or training. Additional information about Off the Chain also is available on the SEC’s website at www.adviserinfo.sec.gov.

- **Item 2 – Material Changes**

In Item 2, advisers who are filing an annual updating amendment that contains material changes must identify and discuss those changes and provide dates of each annual brochure.

Off the Chain Capital's registration as an investment adviser became effective on March 15, 2021. The following material changes have been made to this Brochure since that date:

- Item 4 – Advisory Business: updated regulatory assets under management and reference to the use of side letters.

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- **Item 4 – Advisory Business**

Off the Chain Capital, LLC (“Off the Chain”) is a Delaware limited liability company and was organized on December 9, 2016 and became an investment adviser registered with the Securities and Exchange Commission on March 15, 2021. The principal owner of Off the Chain is Brian Estes. There are additional owners with interests less than 25%, as disclosed on Schedule A of Form ADV Part 1A.

Off the Chain provides investment advisory services to pooled investment vehicles (the “Fund” or “Funds”). Currently, Off the Chain advises one private fund, Off the Chain, LP, a Fund which originally was comprised of proprietary capital and now includes third party investors.

Off the Chain’s objective is to generate positive mid- to long-term investment returns by investing in a concentrated portfolio of assets that include without limitation, digital assets, private investment trusts, secured and unsecured bankruptcy claims, public and private equity securities, utility tokens, security tokens, cryptocurrencies, open-end funds, closed-end funds, index funds, exchange trade funds, simple agreements for future tokens (an agreement for the eventual transfer of tokens from cryptocurrency developers to investors), simple agreements for future equity, initial coin offerings, insurance claims, private investment contracts with blockchain foundations, option contracts, bitcoin and commodity futures contracts, short-term fixed income securities and instruments, gold, and digital asset mining hashpower contracts. That said, the majority of assets in the fund generally will be blockchain-related assets, which include digital assets, utility tokens, security tokens, private investment trusts, closed-end funds, simple agreements for future tokens, simple agreements for future equity, bitcoin bankruptcy claims, and policy and private equity securities. Some assets will be in seed investments in cryptocurrencies before their initial coin offerings and which will be in private transactions, cryptocurrency and/or securities, or via wallets for the specific blockchain technology being developed. The investments generally will be and are restricted, which means they will not be freely transferable and are illiquid. Additionally, the investments often are and will be difficult to value. Off the Chain’s investment program is speculative and entails substantial risks. Please see Item 8 of this Brochure for more information on risks.

Off the Chain, per the fund governing documents, has broad authority to manage the affairs of the fund. This authority generally includes the authority to vary investment objectives and/or strategies; establish valuation methods and provide valuations for accounting and financial purposes; accept or reject investors into the fund; make investment decisions; limit aggregate capital contributions and/or suspend offerings; enter into agreements; and more.

Investors generally may not impose additional or other restrictions on the Fund or to Off the Chain.

As of December 31, 2021, Off the Chain manages \$403,414,077 on a discretionary basis. Off the Chain does not manage any assets on a non-discretionary basis.

For investor reporting and fee calculations, Off the Chain generally discounts the net asset value. The investments made by Off the Chain on behalf of the Fund generally have a liquidity restriction. The investments also have a difference between the purchase price and the fair market value. To determine the net asset value of the fund, the difference between the purchase price and the fair market value is allocated monthly to the net asset value in proportion to the total expected length of time until the investment is unrestricted.

In addition to its investment advisory services to the Fund, Off the Chain provides a non-advisory consulting service to consulting clients and for which there are no additional regulatory assets under management (“Off the Chain Consulting”). The consulting services are performed pursuant to a written engagement between a consulting client and Off the Chain Consulting. Consulting services are available to large financial institutions that desire further perspective on digital assets. Off the Chain Consulting seeks to provide consulting services based on each consulting client’s individual goals and seeks to provide each consulting client with information such that the client can understand the manner in which digital assets can be included within a diversified portfolio.

In accordance with common industry practice, the general partner of the Fund has the authority to enter into “side letters” or side agreements with certain investors in the Fund whereby the general partner (an affiliate of Off The Chain) may grant individual investors specific rights, benefits, or privileges not set forth in the Governing Documents, including economic benefits. Such investor specific rights, benefits or privileges may not be applicable to all investors and therefore may not be made available to all investors generally.

- **Item 5 – Fees and Compensation**

Fund governing documents set forth the fees and expense structures associated with the Fund, and investors should consult the governing documents for further information on fees and expenses and ask any follow up questions before investing.

Overall, Off the Chain receives compensation from management fees and carried interest allocations. Fees can be subject to negotiation, resulting in investors having different fee terms, and employees and general partner members generally do not pay management or incentive allocations, all at the discretion of Off the Chain, generally with terms established

by fund closing and subscription. (Please see Item 6 below for information on carried interest.)

Management Fees: Off the Chain will cause the direct debit of the management fee from the relevant fund account. Management fees are generally paid monthly, in arrears, one-twelfth of the management fee percentage of the net asset value of the capital account, charged against the capital account's net asset value as of the last business day of the calendar month. The net asset value is calculated by Off the Chain and provided to the Fund's third-party administrator, which uses the investment values and the monthly expenses to create a monthly income to distribute across investors based on their percentage ownership. Currently, the Funds are not employing the use of margin in their core strategy, although Off the Chain has authority to do so per the fund documentation and specific investments can include a leveraged amount.

Other Expenses: In addition to the above, the Fund and therefore investors are charged, or must reimburse Off the Chain for, additional expenses. Although currently, the Fund is charged third party direct expenses such as administrator, legal, compliance, audit, and tax, as well as some research and accounting software, the Fund per the fund governing documents is responsible for additional expenses and in the future could be additionally charged. For example, Funds are also responsible for Off the Chain's due diligence costs and expenses incurred in connection with investigating investment opportunities and ongoing due diligence in certain circumstances for the Funds, including related travel, lodging, and entertainment. While in current practice not all such expenses have occurred or exist, additional charges can include for example and without limitation fees and expenses of and relating to investment banking and private placements, brokerage, commissions, dealer mark-ups, mark-downs and spreads, clearing and settlements, custody, taxes, legal, audits, accounting, administrators, other professional fees, insurance, research and market data including associated hardware and connectivity hardware including Bloomberg terminals and telephone and optic lines, borrowing, short sales, interest amounts, loan commitments, margin, other debt, obligations under repurchase agreements, compliance and consulting, personal security services, investor communication services and products, custom software development, related hardware, third party administrators, systems to facilitate accounting, record-keeping, data management, and data recovery, software licensing and implementation, investor communications, mailings, printings, filings, registrations, indemnification obligations, and extraordinary expenses.

In addition to paying the fees and expenses discussed above, Off the Chain, LP is responsible for fees and expenses charged by third-parties in connection with the Fund's investment in certain private trust vehicles managed by such third parties. These fees and expenses could

include brokerage and other transaction costs, custodial fees, and any other fees and taxes, related to the purchase and sale of digital assets managed by these third parties.

The Fund is subject to, and responsible for, costs and other expenses, regardless of whether it realizes any profits. As a result, the Fund will have to earn substantial profits to avoid depletion of its assets due to such costs and expenses.

Please see Item 12 of this Brochure for more information on brokerage.

Off the Chain Consulting fees are pursuant to a written agreement with the consulting client and generally begin at \$250,000.00. Upon expiration of the first twenty-five hours of consulting services, consulting clients are charged at a rate of \$5,000.00 per hour.

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

Off the Chain receives an incentive allocation (performance-based fees) from qualified clients and investors. As stated in Item 5 above, the actual amount an investor is responsible for can, and in some instances does, vary. As of each incentive allocation calculation date for which there is such allocation, Off the Chain will cause the debit from each investor capital account, and credit to an account of Off the Chain, the incentive allocation, which is any amount by which the net asset value of the capital account exceeds the high-water mark for that account, which is the net asset value of the account immediately after the assessment of the most recent incentive allocation (or where there has not been an incentive allocation assessed, from the amount of the capital contribution that established the account). The high-water mark carries forward from year to year until exceeded; but Off the Chain is not required to pay back any incentive allocation if the investor subsequently experiences losses. Net new profits are calculated separately for each capital account, regardless of whether an investor has more than one capital account, and some investors do have more than one capital account. The high-water mark for each account is and will be decreased pro rata in the same proportion of a withdrawal amount, whenever a withdrawal is made when the net asset value of the capital account is at or below the high-water mark. Where there are withdrawals and/or distributions from a capital account before the end of a calendar year, incentive allocations are made in a fractional amount, with the high-water mark adjusted downward to reflect the withdrawal and/or distribution.

Incentive allocation calculation dates are monthly and as of any date on which an investor receives a withdrawal or distribution from its capital account. Although the incentive allocation is calculated and accrued monthly, the incentive allocation is not deducted from the investors account until the end of the year.

Because a portion of compensation paid to Off the Chain will be based on generated profits, Off the Chain is said to have an incentive to make investments for its clients that are riskier or more speculative than would be the case absent such compensation. Further, if and where clients differ in their performance-based fee calculation, Off the Chain is said to have an incentive to favor one performance-based client over another client that either does not have a performance-based fee structure or would not be sufficiently generating the profits to derive an incentive allocation. Moreover, because Off the Chain is not in effect penalized for losses except in the current period (by not receiving an incentive allocation for that period), Off the Chain is considered more likely to invest in a riskier manner. However, Off the Chain manages investments in accordance with the governing documents. currently manages only one client vehicle and has investment policies and procedures that address investment allocations and the mitigation of conflicts of interest. Off the Chain may have an incentive to favor other investments that are generating fees on a regular basis.

The incentive allocations are determined on the basis of the value of the Fund assets, and this includes value attributable to unrealized appreciation. Thus, incentive allocations are made to Off the Chain based on positions that are profitable at the time such fees are assessed, and Off the Chain keeps these allocations even if later the positions become not profitable. Further, Off the Chain is responsible for determining the value of the fund assets. To mitigate risks and conflicts of interest, Off the Chain as said manages in accordance with fund documents and, additionally, adheres to valuation policies and procedures.

- **Item 7 – Types of Clients**

As stated in Item 4, Off the Chain provides investment advisory services to pooled investment vehicles, which are the clients, and not to the investors within a vehicle. As said, Off the Chain currently has one pooled vehicle client. Off the Chain has discretion to determine investment dates for contributions or additional or new capital and similarly has the discretion to suspend and terminate interest offerings.

In terms of any investor onboarding, investors within the vehicle must meet eligibility requirements, including financial thresholds. Off the Chain has an investment minimum, generally \$1,000,000, but Off the Chain waived certain minimums for some investors, and has done so, subject to legal limitations. Investors must be accredited and qualified, both of which are legally defined terms, and investors must be sophisticated and willing to accept investment risks. Investors include but are not limited to: high net worth individuals, retirement accounts, trusts, fund of funds, limited liability companies, and defined benefit plans.

Off the Chain Consulting clients must be large financial institutions. Off the Chain LP investors are not solicited by Off the Chain to be consulting clients; and consulting clients are not solicited for Off the Chain, LP.

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

Investing in securities involves risk of loss that investors must be prepared to bear, including to principal. Investors can lose all of their investment without recourse as a result of risks. Some of these risks are described below. Other or additional risks likely are evolving and the risks pertaining to investing in digital assets and related investment vehicles can change or increase as investments, regulations, and related conditions change. In particular, the investment industry related to cryptocurrency and digital assets in general is new and rapidly evolving.

As referenced in Item 4 of this Brochure, the investment objective of Off the Chain's current Fund client is to generate positive mid- to long-term investment returns by investing in a concentrated portfolio of assets including without limitation cryptocurrencies, digital assets, utility tokens, security tokens, private investment trusts, open-end funds, closed-end funds, index funds, exchange trade funds, simple agreements for future tokens, simple agreements for future equity, initial coin offerings, secured and unsecured bankruptcy claims, insurance claims, private investment contracts with blockchain foundations, option contracts, bitcoin and commodity future contracts, short-term fixed income securities and instruments, gold, and public and private equity securities, and digital asset mining hashpower contracts. The Fund focuses on generating returns based on mega-trends using S-curve analysis in combination with finding value in illiquid markets.

The majority of the assets will be invested in blockchain related assets which include digital assets, utility tokens, security tokens, private investment trusts, closed-end funds, SAFTs, SAFEs, bitcoin bankruptcy claims, and public and private equity securities. Off the Chain can invest a percentage of the vehicle's assets in seed investments in cryptocurrencies before their initial coin offerings. These investments will be made in private cryptocurrency, private security transactions, and/or via wallets for the specific blockchain protocols being developed. All assets in "restricted" securities, generally will not be freely transferable, will be illiquid, and will be considered difficult to value. Off the Chain expects to carry these restricted securities at cost or net asset value plus an amortization to liquidity until and unless the issuer of such securities provides an independent valuation, there are additional financing rounds at different valuations, there are transactions on secondary markets at different valuations, or there is a public offering. Notwithstanding the foregoing, Off the Chain has the authority to establish different valuations for such restricted securities where it determines it has sufficient information to justify a different valuation. The foregoing

descriptions in this Item 8 represent Off the Chain's present and existing intentions in view of current market conditions and other factors, but Off the Chain can, in its sole discretion, vary the foregoing investment objectives and strategy to the extent it determines that doing so will be in the best interest of the client. In other words, per the Fund governing documents, the investment strategy of the Fund is in the absolute and sole discretion of Off the Chain and there is no obligation to advise existing or potential investors of a change in investment styles or strategies.

Each prospective investor should consult his or her independent professional advisers in assessing the merits and risks of investing with Off the Chain. Prospective investors and their advisers should perform their independent analysis of the Fund and offering documentation and ask Off the Chain any questions or concerns before subscribing to any fund. An investment in the Fund should be considered speculative and involves substantial risk due to, among other things, the nature of the investment program, the significant fees and costs associated with such an investment and the limited liquidity of interests. No person should invest in the Fund unless he or she has no need for immediate liquidity with respect to such investment, is fully able to bear the financial risk of such investment for an indefinite period of time, and is fully able to sustain the possible loss of the entire amount invested. In light of this financial risk, a prospective investor should evaluate an investment in the Fund as it fits into that prospective's overall portfolio composition.

There is no guarantee that any past results can be replicated; any past successful performance may not be relied upon to indicate future performance. There is no assurance that the investment objective will be achieved, and results may vary substantially over time.

Some of the specific risks associated with investments made by Off the Chain are described below. In overall summary, risks include general investment risk, strategy risk, institutional risk, structure risk, operational risk, and tax risks. Investors must also consult the Fund documentation for risk descriptions and consult with their independent professional advisors.

Illiquid investments: Off the Chain investments are illiquid, long-term, and generally not transferable. In other words, there can be little to no immediate or long-term market for interests. Consequently, investors likely are not able to liquidate their investment, or securities distributed to them in kind, in the event of an emergency or for any other reason. Interests may not be pledged as collateral for loans.

The Fund generally carries these illiquid investments at cost until and unless the issuer of such securities provides an independent valuation, there are additional financing rounds at different valuations, there are transactions on secondary markets at different valuations, or there is a public offering. However, as noted, the General Partner has the authority to

establish different valuations for such illiquid and restricted securities where it has sufficient information to justify a different valuation.

Per the Fund governing documents, investor withdrawal rights are restricted and, further, Off the Chain does not provide any guarantee that the Fund would or will have sufficient cash available to make cash distributions in respect to such withdrawals.

Susceptible markets: The investment program can be heavily and negatively influence by a variety of factors beyond the control of Off the Chain, including for example, industry developments, changes in the political environment and/or regulatory environment, interest rate fluctuations, public markets movements and sentiments, competition, technology, fiscal policy, exchanges, and other movements, events, and/or occurrences.

Limited diversification: The current Fund investments are generally in a concentrated portfolio of assets. As such, the entire portfolio may be more vulnerable than if the investments were more diversified in a variety of sectors and investment types. Additionally, the aggregate return can be more substantially and negatively affected by the poor performance of a single investment.

Leverage: Although currently not employed as part of the core strategy, the Fund can use leverage and similar techniques. Therefore, the fund value can be enhanced, reduced, limited, or eliminated, and the leverage may decrease or enhance the fund's ability to make additional or follow-on investments or finance future opportunities. In other words, it increases the risk of volatility and therefore loss.

Subjective evaluations: Fund investments are decided by Off the Chain, and often the decisions Off the Chain makes are based on individual analysis and subjective processes. The projected valuations may be wrong due to incorrect assumptions and forecasts.

Key person and management dependence: The General Partner of a Fund will make all investment and trading decisions for the Fund. Investors, in their capacity as such, do not take part in the management or conduct of the business or affairs of a Fund or transact any business in the name of or otherwise for or on behalf of a Fund. A Fund will depend on the principals and management of Off the Chain. Loss of one or more of these individuals could have an adverse impact on the business of a Fund. A Fund could be adversely affected if, because of illness, resignation, or other factors, the services of key principals and/or management were not available for any significant period of time.

Lack of control by investors: Per the Fund governing documents, investors have no voting and limited consent rights, and Off the Chain may amend the limited partnership agreement without investor consent for a variety of reasons. Similarly, no investor, individually or

collectively, has any right, power, or authority to remove or expel Off the Chain, which serves as the General Partner and the adviser to the Fund, to cause its withdrawal from the Fund, to appoint a successor general partner or adviser in the event of the withdrawal or bankruptcy of Off the Chain or otherwise, or to terminate the fund, unless such right, power, or authority is conferred on it or them by law. Relatedly, Off the Chain does not have a lock up on its capital account and can withdraw funds from its capital account at any time.

Withholding of distributions: Under certain circumstances, Off the Chain could deem it appropriate to establish a reserve for contingent liabilities and to withhold a certain portion of an investor's capital account. In addition, at any given time, the Fund could be in a position to not be able to liquidate sufficient assets to make required payments to withdrawing investors or to satisfy all of its obligations upon dissolution.

Relatedly, Off the Chain has authority to withdraw amounts from its capital account and to withdraw as the Fund's General Partner. In certain circumstances when withdrawing as General Partner, the fund would then be dissolved, and Off the Chain could withdraw the entire balance of its capital account.

Further, although the term of the Fund is unlimited, Off the Chain can dissolve the Fund. Upon the dissolution, investors would have no further withdrawal rights, but only the right to receive distributions in connection with the formal winding up of the Fund.

Limited Operating History: The Fund and the General Partner have limited operating history. The past performance of other accounts managed by the General Partner's principal does not necessarily indicate that the Partnership will be successful.

Government policies: As the role of public policy impacts the areas in which Off the Chain seeks to invest, policy decisions can impact the development and stability of Off the Chain's chosen markets.

Failure or insolvency of significant financial institutions: Due to market events in 2008 and beyond the Federal Reserve Board, Department of Treasury, Federal Deposit Insurance Corporation and other federal entities financed the bailout of various private and public companies. The duration and ultimate effect of these actions on current market conditions cannot be predicted, nor is it known whether or the degree to which such conditions may worsen. However, any continuation of uncertainty or further deterioration could result in further declines in the market value of financial instruments and, potentially, the failure or insolvency of significant financial institutions, including banks, brokerages and clearing organizations utilized by the fund and Off the Chain.

Reliance on management of others: Off the Chain monitors investments, interacts with companies, and seeks management transparency of the underlying investments; however, Off the Chain relies on the underlying management personnel to build and operate successfully.

Technology and cybersecurity: Off the Chain and the investments made by Off the Chain rely on information technology and similar systems; such technology and systems may become inoperable or disabled due to actions of others not within the control of Off the Chain. Physical or electronic break-ins, breaches, hacks, and failures could delay operations, adversely impact the ability to transact including exit the investment, require additional compliance, legal, or other professional assistance, and generally lead to the loss of revenue.

Valuation: In conjunction with Off the Chain senior management, Off the Chain's valuation committee plays a key role in determining the value of the Fund assets. The valuation committee meets monthly and committee members include independent advisors, in addition to Off The chain senior management. Since the value of each investor's capital account will depend primarily on the value of the Fund assets, fees charged to the investors and the fund, the incentive allocations in particular, are based on Off the Chain's valuations. There is risk that these valuations will not be accurate, or later will change, and Off the Chain, who will receive incentive allocations based on the values it provides to the Fund, has a financial incentive to place the highest reasonable value on the assets it manages. Some assets, which can be the majority of assets, are not actively traded or readily valued from public market outputs; however, Off the Chain has and retains the discretion to value these instruments. Thus, valuations are and/or can be substantially subjective.

Market volatility: At various times in the past, volatile market conditions have had a dramatic effect on the value of private investments. In addition, terrorist attacks, and other acts of violence or war, health epidemics or pandemics, natural hazards, and/or force majeure may affect the operations and profitability of companies. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. Any of these occurrences could have a significant impact on the operating results and revenues of investments and, in turn, on the return of a fund's investments.

Option contracts: Options are complex securities that also involve risks not suitable for all investors. Option trading is speculative. In addition to the risks described above generally for all securities, option trading also is subject to, for example and without limitation, rapid price volatility, regulatory risk, margin risk, delivery risk, and valuation reporting risk.

Digital currencies: Off the Chain invests in digital assets, which often have uncertain regulatory positions now and in the future. As digital currencies have grown in popularity,

certain U.S. regulatory agencies, such as the Financial Crimes Enforcement Network (“FinCEN”) and the Commodity Futures Trading Commission (“CFTC”), have begun to examine digital currencies and the operations of the related networks. Regulators can consider some as securities and other digital asset constructions as not securities; and regulation and enforcement efforts can depend on the scope of the definition of securities. To the extent that digital currencies are determined to be a security, commodity future or other regulated asset, or to the extent that a U.S. or foreign government or quasi-governmental agency exerts regulatory authority over the digital currencies, client assets are impacted.

Digital currencies currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union. Various foreign jurisdictions can adopt laws, regulations or directives that affect digital currency networks and their users. Such could conflict with those of the United States and could negatively impact the acceptance of digital currencies by users, merchants, and service providers outside of the United States and may therefore impede the growth of the digital currency economy.

The effect of any future regulatory change on the fund is impossible or difficult to predict, but such change could be substantial and adverse.

Unlike bank deposits or securities accounts respectively, digital currencies are not subject to Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) protections. The Fund is not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, deposits held with or assets held by the fund are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. While private insurance may be available at times, the undivided interest in the fund’s digital currencies represented by interests in the fund are not insured.

Digital currencies present additional specific risks. There is no central marketplace for digital currency exchange. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital currency exchanges have been closed due to fraud, regulatory changes, failure, and/or security breaches, for example. Financial difficulty, fraud, and misrepresentation at or about a digital exchange could negatively impact the operational capabilities and/or capital positions of Off the Chain clients. Digital currency exchanges can suspend or limit trading, and governmental authorities can shut down or enact regulations that make such operations untenable. A suspension or limitation of trading could render it impossible for the client to liquidate a position or positions in a timely manner. A delay in exiting a position or positions could expose the client to losses, which could increase as the delay continues. In instances of closure or suspension, the

customers of such digital currency exchanges are likely not compensated or made whole for the partial or complete losses of their account balances. Off the Chain maintains custody of some digital currencies with one or more digital currency exchanges. Any of the client assets of Off the Chain that reside on a digital currency exchange that shuts down may be lost.

Digital currencies require possession of unique private keys relating to the addresses in which the digital currencies are held. Private keys control movement of the currencies. The theft, loss, and/or destructions of a private key required to access a digital currency is generally irreversible. Any loss of private keys relating to digital wallets used to store Off the Chain client's digital currencies could result in the loss of the digital currencies controlled by such private key. Off the Chain has discretion to generate these keys. Further, exchanges can require control of the keys when the exchange is utilized. Off the Chain has discretion to make decisions and take steps related to these keys, but the keys and exchanges are vulnerable to hacking, malware, and general security threats that are beyond the control of Off the Chain. To the extent that keys, exchanges, or their related systems are penetrated, investments are impacted, and loss of capital can result to Off the Chain clients.

Several factors affect the price of digital currencies. There can be no assurance that digital currencies will develop or maintain long-term value. Also, values are highly volatile and can increase or decrease significantly over very short periods of time.

Digital currencies are created, issued, transmitted, and stored according to protocols run by computers in the digital currency network. The protocols and the networks have vulnerabilities including that there can be hidden flaws or attacks against them which could result in the loss of some or all of Off the Chain client assets. Some Off the Chain client assets can be created, issued, or transmitted using experimental cryptography that could have underlying flaws.

Similarly, Off the Chain will in effect convert and seek to convert some capital contributions made by investors to various digital currencies over the relevant network specific to a particular digital currency. These transactions depend on an online, end-user-to-end-user network, source codes, public ledgers, cryptographic and algorithmic protocols, and data codes. The entire process is vulnerable to hacking and malware and could lead to theft of Off the Chain client's digital wallets and the loss of the client's digital currencies.

It may be illegal, now or in the future, to own, hold, sell or use digital currencies or certain digital currencies in one or more countries, including the United States. Countries could take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell, or use digital currencies or to exchange digital currencies for fiat currency. Such an action may restrict Off the Chain client ability to hold or trade digital currencies, and could result in

termination and liquidation of the Off the Chain fund at a time that is disadvantageous to its investors, or could otherwise adversely affect the investment in the fund.

Third parties may assert intellectual property claims relating to the operation of digital currencies and their source code relating to the holding and transfer of such assets. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in a digital currency network's long-term viability or the ability of end-users to hold and transfer the relevant digital currency may adversely affect Off the Chain client assets. A successful intellectual property claim could prevent the Off the Chain client from accessing the digital currency network or holding or transferring their digital currency.

Overall, as stated, digital currencies trading is volatile, speculative, and involves a high degree of risk. A significant portion of the demand for digital currencies is generated by speculators and investors seeking to profit from the short or long-term holding of digital currencies. The relative lack of acceptance of digital currencies in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with digital currencies. A lack of expansion by digital currencies into retail and commercial markets, or a contraction of such use, also results in increased volatility. These investments are relatively new and untested and as such are prone to risks.

Specific methods of investing in digital assets carry their own risks. For example, simple agreements for future tokens ("SAFTs") allow investors to provide developers with funds to develop the network and technology required to create a functional token, but there could be a failure to develop a product, or there could be no market to sell the tokens, or there could be other enterprise risks; and investors can lose their money with no recourse if the venture fails. Simple agreements for future equity ("SAFEs") also allow investors to participate in a venture, but carries its own risks as well, including for example, lack of governance rights and insolvency issues compounded by subordinated or unsecured claims.

A significant portion of the portfolio seeks to take advantage of the arbitrage between the net asset value of certain assets for accredited investors and the discounted market prices for those same assets for non-accredited investors. A change in the "accredited investor" standard could affect Off the Chain's ability to capitalize on this arbitrage opportunity.

Hedging: Off the Chain has the authority to hedge the Fund positions to try to protect against adverse price movements, however, hedging has costs, limitations, and risks. For example, hedging lowers the profit potential of the investment just as it lowers the loss potential. Also, hedging involves expense, and the Fund has to absorb the cost of purchasing the hedge instrument as well as the brokerage and related transaction charges. Such costs can outweigh the benefits of obtaining the hedge. Hedges are most effective when the hedge

instrument is similar or identical to the position being hedged, but a number of factors can cause the correlation between the hedging instrument and primary position to decline. These include the differential effects of volatility between various instruments and uncorrelated changes in spreads between instruments. Failure of the hedging strategy in a leveraged portfolio can cause the portfolio to incur significant losses, including those exceeding its net asset value.

Failure of custodians: Financial institutions such as broker-dealers and banks have custody of the Fund's assets. If these institutions fail, there could be limited to no recovery of the underlying assets.

Tax risks: Investors must consult with their own tax advisors, and there are tax related risks when investing in an Off the Chain managed vehicle. For example, the Fund's tax returns can be audited by the IRS or by the states. If an audit results in an adjustment, investors can be required to file amended returns and to pay back taxes, plus interest, which would not be reimbursed through distributions by the Fund.

As another example, if the Fund has realized profits for a taxable year, these profits likely are taxable to the investors even though cash may not have been distributed to the investors. Also, the Fund can sustain, in subsequent years, losses offsetting such profits, so that an investor may never receive all of the profit on which he is taxed.

As another example, income can constitute short-term capital gain or ordinary income in the form of dividends, both of which are subject to income tax at the highest rate. Off the Chain's trading decisions are based primarily on economic, and not tax, considerations. This could result, from time to time, in adverse tax consequences to investors.

Off the Chain is not in the business of providing tax advice. Investors should seek advice based on the taxpayer's circumstances from an independent tax advisor.

Bankruptcy claims: To the extent that Off the Chain invests the client in bankruptcy claims, these investments primarily will be in blockchain companies, with the above related risks, in addition to specific risks related to bankruptcy. For example, many bankruptcy claims deal with lawsuits, the settlement of which could have an adverse effect on the client assets, and the resulting value of a bankruptcy claim can be greatly influenced by the decisions of a trustee that are beyond the control of Off the Chain. There is no guarantee as to any investment, the bankruptcy claim investments can be in jurisdictions outside the United States, and Off the Chain cannot control the timing of any distributions.

Summary: In summary, as stated elsewhere in this Brochure and in the Fund governing documents, each investor must read all documents and understand risks before investing in

a fund of Off the Chain. Additionally, Off the Chain has authority in the fund documents without further notice to investors to alter strategies, and to invest and trade in a broad range of securities and other financial instruments. Pursuing additional strategies and/or investing in additional or other financial instruments/securities can change the risks or level of risks described above.

Off the Chain Consulting clients must consider the above and other risks when assessing digital assets for a portfolio. In addition, Off the Chain Consulting clients must engage in a written contract for consulting services with Off the Chain Consulting and must understand that Off the Chain is itself engaged in digital asset transactions.

- **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to client's or prospective client's evaluation of the adviser or its management personnel.

While Off the Chain does not consider the event material to a client's or prospective client's current evaluation of Off the Chain or management personnel, one of the Off the Chain management personnel settled a FINRA action, in 2012, against him for alleged violations relating to sales practices in the broker-dealer space. Off the Chain is not a broker-dealer. This event is further disclosed in Form ADV Part 1A. Please contact Off the Chain's Chief Compliance Officer for more information about this event at johng@offthechain.capital.

- **Item 10 – Other Financial Industry Activities and Affiliations**

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

As referenced elsewhere in this Brochure, employees of Off the Chain comprise the General Partner and the adviser to the Fund.

Off the Chain and related persons are personally invested in some of the same investments as the Fund. Off the Chain related persons are also invested in companies the Fund does business with. These investments create a conflict of interest. Conflicts of interest are addressed in Off the Chain's code of ethics and compliance manual. Off the Chain and related persons recognize that they have a fiduciary responsibility to put the interest of the Fund first, and to make all decisions in the best interest of the fund. Off the Chain further addresses these conflicts of interest, for example, by requiring related persons involved in investment decision-making to document their personal investments and to have transactions reviewed

for conflicts of interest by the Chief Compliance Officer and President who have the authority to approve or deny the investment. Off the Chain has only one advisory client, the Fund, at this time; and management personnel are not making investment decisions for any other advisory client in a fiduciary relationship.

Off the Chain's Chief Investment Officer and a Managing Member acts as an advisor to a private investment firm that offers exposure to digital assets through private investment trusts. Off the Chain, LP is an investor in a private trust issued and managed by this private investment firm. In view of such service, Off the Chain, LP will receive 1,500,000 units through an incentive unit agreement over the course of a three-year vesting schedule where 33% of the units are granted at the end of each 12-month period of a three-year engagement. The Fund also invests in a private trust offered and advised by the investment firm, as does Off the Chain's Chief Investment Officer.

The Chief Investment Officer is also an investor in the general partnership of an investment adviser registered with the SEC, and a limited partner in a private fund managed by the adviser. The adviser manages digital asset investment funds focusing on venture-capital style investing in early-stage blockchain companies and protocols. The Chief Investment Officer has no management involvement or authority over investments made by the adviser or any other business operations. The Chief Investment Officer's role with the adviser is purely passive. Off the Chain, LP is an investor in both the adviser's general partnership and in a private fund offered by the adviser.

Off the Chain's Chief Financial Officer is a minority member of an investment adviser registered with the SEC. The Chief Financial Officer has no management involvement or authority over investments made by the adviser or any other business operations.

Conflicts of interest and internal controls involving these relationships are addressed in Off the Chain's Code of Ethics and Compliance Manual.

Off the Chain, LP is an investor in two companies that also provide services to the Fund. These services include cryptocurrency brokerage, cryptocurrency lending, and fund management.

Off the Chain Consulting clients are not advisory clients. Off the Chain Consulting services are performed by employees of Off the Chain, including those employees who provide advisory services to the fund, Off the Chain, LP. Off the Chain Consulting receives compensation for consulting services; please see Item 5 of this Brochure.

- **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

Off the Chain has adopted a Code of Ethics for its supervised persons (“employees”), which mandates a high standard of business conduct and fulfillment of the fiduciary duty to clients. The Code of Ethics includes client confidentiality provisions, insider trading prohibitions, gifts and entertainment restrictions, and personal securities trading procedures, among other things. The Code of Ethics promotes making decisions in the best interest of advisory clients. Employees can invest for their own accounts under certain circumstances and when their transactions will not materially interfere with the best interest of clients.

Employee investments and trading are monitored under the Code of Ethics to reasonably prevent conflicts of interest between clients and employees. All employees acknowledge the terms of the Code of Ethics annually, and as amended. Clients and prospective clients may request a copy of our Code of Ethics by contacting our CCO at johng@offthechain.capital.

Off the Chain currently manages one client Fund. Off the Chain monitors proprietary thresholds but does not engage in principal or cross transactions. Employees, related persons, and family members are investors in the Fund, but the applicable amounts do not exceed the threshold to create a proprietary vehicle. As stated, employees and related persons are also members of the General Partner of the Fund.

Off the Chain and its related persons are subject to significant conflicts of interest in managing the business and affairs of its clients and in making investment and trading decisions. Off the Chain and related persons invest in the Fund and also invest in the same investments as the Fund in their personal accounts including investing in companies with which the Fund does business. Off the Chain mitigates conflicts of interests through procedures in the Code of Ethics and Compliance Manual. Off the Chain and related persons have a fiduciary duty to put the interest of the Fund first, and to make all decisions in the best interests of the Fund. Off the Chain’s Code of Ethics and Compliance Manual include procedures to have the Chief Compliance Officer or delegate review and approve personal investments of Off the Chain related persons involved in investment decisions for the Fund, to ensure the conflicts of interest are reviewed and the Fund is made a priority for investments that will benefit the Fund’s portfolio. The Fund is able to have investment opportunities that it would not otherwise have due to these relationships causing the conflicts of interest. Off the Chain and its related persons involved in investment decisions ensure the Fund is given first opportunity to invest in opportunities and, if the Fund does not have the capital to invest or if the investment opportunity does not fit the objective of the Fund or is otherwise not in the best interests of the Fund, then the related person can then take advantage of the investment opportunity in their personal portfolio.

- **Item 12 – Brokerage Practices**

When Off the Chain invests in digital assets, Off the Chain generally utilizes a digital asset trading platform. These platforms can be exchanges for digital securities similar to a stock exchange or they can be with wallet technology and private keys for example for cryptocurrencies. Crypto broker-dealers facilitate trades, interact with the exchanges, and monitor the transaction. Some cryptocurrency exchanges register as broker-dealers operating an Alternative Trading System. Off the Chain maintains a list of approved brokers, including cryptocurrency brokers, as is also generally disclosed in the Fund governing documents.

When utilizing a broker dealer, whether for digital or more traditional assets, Off the Chain seeks to obtain best execution. Off the Chain can consider the full range and quality of services as well as price. Considerations include for example available spreads, prices, commissions, transaction size, timing, settlement capabilities, responsiveness to the adviser, existing and expected market activity, financial stability and responsibility, custodial services, research, arbitrage operations, reputation, and other considerations, as well as Off the Chain's knowledge of the nature of the security or instrument being traded. Transactions that involve specialized services on the part of the broker, dealer, or bank involved often justify higher commissions or similar than for routine transactions, and it is possible that execution may be through a particular broker due to a lack of options in the market.

Off the Chain has discretion to utilize broker-dealers and to choose the broker-dealer, and clients cannot direct brokerage. Off the Chain currently does not have any brokerage referral relationships.

Off the Chain does not receive soft dollars. Off the Chain can obtain third party research as part of its investment due diligence but does not pay up for such services.

Off the Chain has authority to, and does, retain legal and banking professionals to assist in certain private transactions. In these instances, the services and compensation are negotiated at arms-length.

As Off the Chain is currently managing one fund vehicle, aggregating accounts and cross trades are not an issue.

- **Item 13 – Review of Accounts**

Off the Chain's Chief Financial Officer and Chief Investment Officer review fund holdings, investor thresholds, portfolio allocations, holdings, performance, and valuations regularly, generally on a daily basis.

Investors will receive annual audited financial statements for the Fund, as well as unaudited monthly statements on account performance and balance.

As stated, Off the Chain Consulting clients are provided consulting services following a written contract, which provides all material terms of the consulting service, including for example term, compensation, and consultations.

- **Item 14 – Client Referrals and Other Compensation**

Please see Item 5 for the compensation Off the Chain and its related persons receive for its advisory and advisory related services. Although Off the Chain has authority to retain a placement agent and, in the future, might so do, Off the Chain has not engaged any solicitor for client referrals and has not engaged any placement agent for investor referrals. Off the Chain is not compensated by any person for referrals and Off the Chain does not pay any person for investor referrals.

- **Item 15 – Custody**

As a result of the private fund structure, and also because it has authority to cause the debit of client fees, Off the Chain has custody under the Investment Advisers Act custody rule of Off the Chain LP's funds and securities. Qualified custodians holding Off the Chain client funds and securities, including the private keys, send statements to Off the Chain. To the extent that some assets including some cryptocurrencies are not "funds" or "securities," Off the Chain takes steps to safeguard these holdings in a manner reasonably designed to protect against theft and/or misuse. Following the private fund audit procedures pursuant to the custody rule, investors timely will receive annual audited statements. Additionally, Off the Chain sends unaudited statements to investors, generally monthly. Investors should review each statement carefully and compare the audited and unaudited statements.

- **Item 16 – Investment Discretion**

Subject to the governing documents of a Fund, Off the Chain assumes discretionary authority to determine the types, amounts, and timing of investments to be bought and sold on behalf of the Fund and to perform the day-to-day operations of the Fund. The authority generally is established during the organization of the Fund.

- **Item 17 – Voting Client Securities**

Off the Chain does not as a strategy invest in securities which issue proxies, however, Off the Chain does hold investments that issue proxies. Off the Chain has adopted voting policies and procedures pursuant to Rule 206(4)-6 of the Investment Advisers Act. In summary, clients and investors cannot direct Off the Chain's vote in any particular solicitation. Off the Chain

votes such proxies in the best interest of the Fund, including consideration of economic benefits and sound governance, in Off the Chain's discretion. Where Off the Chain does not have significant interest, Off the Chain can choose to not vote certain proxies where there is no identifiable impact or benefit to the fund to vote. In all situations where Off the Chain perceives a conflict of interest, Off the Chain management, as appropriate and in particular the Chief Investment Officer, will review the situation and recommend appropriate action. Off the Chain will maintain proxy related information, including how Off the Chain and any representative voted. Clients and investors can obtain this information (i.e., how Off the Chain voted as well as the proxy voting policy and procedures) upon written request to Off the Chain (postal and email addresses are on the cover of this Brochure).

- **Item 18 – Financial Information**

Item 18 requires us to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. In no event shall we charge advisory fees that are both in excess of five hundred dollars and more than six months in advance of advisory services rendered.