

ITEM 1. COVER PAGE

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**Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of Two Prime LLC ("Two Prime"). If you have any questions about the content of this brochure, please contact us at (480) 290-4951. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Two Prime also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

This Brochure represents an update to Two Prime's initial Firm Brochure in January of 2022. Since then, existing employee Nicholas Ozyk has taken over the Chief Compliance Officer duties from Nathan Cox, who remains with the Firm. Additionally, the Firm has distributed all assets of the Two Prime Liquid Yield Master Fund I, the Two Prime Liquid Yield Fund I LP and the Two Prime Liquid Yield Fund I, and subsequently closed these entities. There are no other changes that require notification in this section of the Brochure.

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Two Prime LLC (“Two Prime” or “Firm” or the “Manager”) is an investment adviser that is registered with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). This brochure explains the investment advisory services we provide to our Clients (collectively, the “advisory business”) and provides important information about us.

ITEM 4. ADVISORY BUSINESS

Two Prime was established in 2019 and serves as an investment adviser to the following private funds: Two Prime Digital Assets Master Fund I, Two Prime Digital Assets Fund I LP and Two Prime Digital Assets Fund I (together, the Funds are referred to as the “Funds”). We also serve as investment adviser to separately managed accounts (“SMAs”). Collectively the Funds and SMAs are referred to herein as ‘Clients’. We have investment discretion with respect to Clients and we select and monitor investments for Clients pursuant to the terms of an investment management agreement (the “Management Services Agreement”). In the future we may provide asset management services to additional Clients, including private funds and/or SMAs.

This section of the brochure describes our advisory business, including:

- Our ownership structure;
- The types of advisory services we provide; and
- The amount of assets that we manage.

A. Ownership Structure

The Firm is a Delaware limited liability company 59% owned by Marc Fleury, 29% owned by Alexander Blum and 12% owned by Nathaniel Cox.

B. Advisory Services

Two Prime’s advisory business primarily consists of providing discretionary advisory services to the Two Prime Clients. We currently provide investment advice only with respect to a limited type of investments although in the future we may provide advice to other investments.

Funds

The Two Prime Digital Assets Funds are optimized for wealth preservation and long-term growth. The Funds offer intelligent exposure to a long and programmatically rebalanced portfolio of Bitcoin and Ether. Through a combination of derivative management and lending, the Funds capture upside returns while protecting against downside volatility.

The Funds have invested and intend to continue to invest substantially all of their assets in, and conduct their investment program through, the Master Funds. This structure is intended to facilitate investment in a manner which may be tax advantaged and otherwise more efficient for certain U.S. tax-exempt and non-U.S. investors. Unless specified otherwise, references herein to the Funds’ investments and investment program also include the Master Funds’ investments and investment program, to the extent that any of the Funds invest through the Master Fund.

C. Assets Under Management

As of December 31, 2022, the Registrant had approximately \$100,000,000 in regulatory assets under management, all managed on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

A. Collecting Our Advisory Fees

The Firm receives compensation for providing advisory services to its Clients. Two Prime receives an asset-based fee and a performance-based fee or allocation, if applicable, as described in each of the Funds' offering documents and SMA agreements.

Private Funds

A management fee (the "Management Fee") is paid quarterly in arrears to the Manager by Limited Partners. The Management Fee is equal to one quarter (1/4) of 2% per annum of the closing quarterly Capital Account balance of such Limited Partner before accounting for any accrued but unearned Performance Allocation as described below and in the Partnership Agreement.

The Capital Account of a Limited Partner making a withdrawal other than on the last day of a quarter will be charged a pro rata portion of the Management Fee immediately prior to such withdrawal based on the number of days elapsed during such quarter and the portion withdrawn from such Capital Account.

The Manager shall have the right to waive or reduce, from time to time, all or part of the Management Fee with respect to one or more Investors, without waiving or reducing the Management Fee with respect to other Investors. This could result in one or more Investors receiving a greater or lower return on their investment relative to other similarly situated Investors in the same Class.

The General Partner will receive a quarterly performance profit allocation (the "Performance Allocation") in an amount equal to ten percent (10%) of the net capital appreciation allocated to each Limited Partner during each fiscal quarter. Such Performance Allocation shall be calculated and allocated following the payment of the Management Fee applicable for such quarter and shall be subject to a loss carry-forward provision, also known as a "high water mark". The Performance Allocation will only be deducted from such Limited Partner's Capital Account to the extent that such Limited Partner's pro rata share of such appreciation causes its Capital Account balance, measured on a cumulative basis and net of any losses, to exceed such Limited Partner's highest historic Capital Account balance as of the end of any prior quarter or, if higher, such Limited Partner's Capital Account immediately following its admission to the Partnership (as adjusted for any withdrawals at a time when a Limited Partner's Capital Account balance is below the applicable "high water mark").

The Funds shall bear their own operating and other expenses, and, as shareholders in the Master Fund, each of the Funds investing in the Master Fund shall bear its pro rata share of the Master Fund's operating and other expenses.

The fees and allocations described above do not include brokerage commissions, transaction fees, service provider fees, and other related costs and expenses which will also be incurred by the Funds.

SMA's

For SMA accounts, management fees are established for each Client on a case-by-case basis and paid quarterly in arrears. All fees and expenses are fully outlined in each Client's Investment Management Agreement.

B. Other Non-Advisory Fees and Expenses You May Incur

Fund Fees and Expenses

All the Funds' offerings and organization expenses (including legal and other expenses; "Organizational Expenses") will be paid by the Funds and/or reimbursed by the Funds to the extent paid by the General Partner or the Manager. The Organizational Expenses will be amortized and charged to the Limited Partners' Capital Accounts over a period of time deemed appropriate by the General Partner.

The Funds shall each pay (and/or reimburse the General Partner or the Investment Manager) for all of their ordinary operating and other expenses, including, but not limited to, investment-related expenses, research costs and expenses, legal expenses, accounting and tax fees, auditing fees and administrative expenses.

Each of the General Partner and the Manager will be responsible for paying its own rent, furniture and fixtures and similar overhead expenses in addition to the compensation of its employees.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A performance fee or performance allocation is a fee representing an investment adviser's compensation for managing an account (such as the Funds), which is based upon a percentage of the net positive performance of the account being managed. With respect to the Funds, the Manager receives an up to 20% performance-based fee or allocation for advisory services with respect to the Funds.

The carried interest/performance-based fee or allocation creates inherent conflicts of interest with respect to the management of assets. Specifically, our entitlement to a carried interest/performance-based fee or allocation in managing the Funds may create an incentive for us to take risks in managing the Funds that we would not otherwise take in the absence of such an arrangement. Additionally, since the carried interest/performance-based fee or allocation rewards us for performance in the Funds, we may have an incentive to favor the Funds over other potential accounts or funds in the future which may not be subject to a performance fee/allocation or carried interest.

The Manager, the Funds, any placement agents and their respective officers, directors, stockholders, members, employees, affiliates and agents may be subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, Two Prime. Placement agents that solicit Investors on behalf of the Funds, or introduce Investors to the Funds, are subject to a conflict of interest because they will be compensated in connection with their solicitation activities.

The Manager and its affiliates may provide investment management services to SMA's and other investment funds, some of which may have investment objectives identical or similar to those of the Funds. The Manager and its affiliates may give advice and/or take actions with respect to Clients, or for their own accounts, that may be similar to or differ from action taken by the Manager or its affiliates on behalf of other Clients. As these situations may represent a potential conflict of interest, the Manager and its affiliates have adopted policies and procedures wherever deemed appropriate to detect and mitigate

or prevent potential conflicts of interest. The Manager will devote to the Funds as much time as the Manager deems necessary and appropriate to manage the Funds' business.

Side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of one fund or account over another, arising from differences in fee arrangements or otherwise. As described above, we maintain and implement procedures in furtherance of our efforts to treat all portfolios fairly and we believe that portfolios subject to side-by-side management will receive fair and equitable treatment over time.

Neither the Manager nor any of the Manager's affiliates have any affirmative obligation to offer any investments to the Funds or to inform the Funds of any investments before offering any investments to other Clients. The Manager and its affiliates may also make investments on their own behalf without offering such investment opportunities to the Funds. Furthermore, the Manager and its affiliates may be bound by affirmative obligations, at present or in the future, whereby it or they are obligated to offer certain investments to Clients before or without the Manager or its affiliates offering those investments to the Funds. Alternatively, the Manager and its affiliates may offer certain investments to Clients simultaneously with or in addition to offering those investments to the Funds. Thus, Clients could become co-investors with the Funds. Co-investment opportunities may be subject to, among other things, regulatory approvals and advisory board and independent board member approvals of the relevant Client, the receipt of which, if sought, cannot be assured. Any such co-investments or related transactions may raise potential conflicts of interest, particularly if the Funds and such other Clients invest in different classes or types of securities of the same investment. In that regard, actions may be taken by such other Clients that are adverse to the Funds. In addition, it is possible that in a bankruptcy proceeding the Funds' interest may be subordinated or otherwise adversely affected by virtue of such other Client's involvement and actions relating to their investment.

When it is determined that it would be appropriate for the Funds, on the one hand, and one or more other investment accounts managed by the Manager, on the other hand, to participate in an investment opportunity, the Manager will seek to execute orders for all of the participating investment accounts, including the Funds, on a fair and equitable basis, taking into account such factors including, but not limited to, the investment objectives and guidelines of the participating investment accounts, the relative amounts of capital available for new investments, relative exposure to market trends, transaction costs, the portfolio positions of the participating investment accounts or other structural requirements and the manner in which the investment in question is likely to affect the amount of available capital after the investment is made. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or Digital Assets may be allocated among the different accounts on a basis which the Manager considers equitable. Nevertheless, it is possible that the Funds may not be given the opportunity to participate in certain investments made by Clients advised by the Manager and its affiliates.

As the investment manager for the Funds, the Manager may purchase assets and synthetic securities from affiliates or otherwise engage in affiliated transactions; provided, however that any such transactions will only be done in a manner consistent with the requirements of Section 206 of the Advisers Act and the policies and procedures adopted by the Manager.

As the investment manager for its Client's portfolios, the Firm may purchase assets and synthetic securities from affiliates or otherwise engage in affiliated transactions; provided, however that any such transactions will only be done in a manner consistent with the requirements of Section 206 of the Advisers Act and the policies and procedures adopted by Two Prime.

The Firm may cause a Client to engage in cross trades with one or more other Clients, in order to further the Client's and such other Funds' or accounts' respective investment programs, or for other reasons consistent with the investment and operating guidelines of Clients and such other Funds or accounts. Generally, the value of any positions that are cross-traded in this manner will be determined in a manner that is consistent with the fair valuation methodologies that are used by Two Prime.

Two Prime may also effect principal transactions between itself or its affiliates and Clients. Any transaction effected between Clients and the Firm or its affiliates on a principal or agency basis shall be conducted at arm's length for fair market value and on terms as favorable to Clients as would be the case in a transaction with an independent third party and in accordance with any obligation of the Firm under applicable law.

ITEM 7. TYPES OF CLIENTS

Currently the Firm's Clients include the Funds and SMAs. Two Prime may become investment adviser to other funds or accounts in the future. The requirements for investing in the Funds are described in the Funds' offering documents. The minimum dollar amount of an investment in the Funds is set at \$500,000, which may be reduced upon the written consent and approval of Two Prime.

In the United States, the Participating Shares in the Offshore Fund may be offered to certain persons (including Tax-Exempt Investors) that are "accredited investors" (as defined in Rule 506 of Regulation D promulgated under the Securities Act). The Participating Shares may be offered outside of the United States in reliance on Regulation S promulgated under the Securities Act to persons who are not "U.S. persons" (as defined in Regulation S).

All Investors in the U.S. Funds must be "accredited investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act. In addition, the total number of beneficial owners of Investors (along with U.S. Investors in the Offshore Fund) will be limited to not more than 100 in accordance with Section 3(c)(1) of the Investment Company Act. Each U.S. purchaser in both the U.S. Funds and the Offshore Funds will be required to represent that it is a "qualified Client" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act").

The subscription documents for the Funds contain questions relating to these qualifications. However, the Manager may nevertheless decline to admit Investors who meet these suitability requirements.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Two Prime Digital Asset Funds

The Manager uses a derivative overlay strategy to hedge the Fund's net long delta exposure that the Firm consistently carries through purchased BTC and ETH coins. The Manager's goal is to hedge against outsized downward volatility, essentially "crash protection" which the Firm purchases through OOTM puts. The Investment Manager's hedge is dynamically managed using quantitative signals that it develops in-house, and relies on statistical measurement of both on chain data, underlying price movements, and derivative analysis.

Two Prime expects that the Partnership's net position will remain long at all times, as it is bullish on the space. The Manager closely follows blockchain data that measures the total output of BTC vs. the currently circulating supply, and uses the halving cycles to inform its macro view of bull cycles. Based on

the total number of blocks mined vs the total per halving cycle – 210,000 blocks – the Manager builds its macro risk model. Through this lens the Firm generates a framework for maximum and minimum short delta that it carries at any given time.

The derivative markets inform how the Firm expresses its short delta, combining implied volatility rank and skew metrics to optimize portfolio construction. While the Manager maintains long puts at all times (carried insurance against downside volatility) it systematically manages short calls and spreads to capture volatility and finance its put positions. Two Prime's target is to capture 80-90% of the upside move in BTC and ETH, while protecting against large downside volatility events. As underlying prices move higher, the Manager systematically rolls up its puts strikes, and rolls its call positions. When prices move lower, the Firm uses that as an opportunity to capture profits on the short call side, while managing put positions. The Firm's delta, theta, gamma and vega exposure are all managed to maximize returns and minimize its overall cost. Over full market cycles the Manager expects to outperform underlying assets as the Fund accumulates coins in down and sideways markets, and rides values higher when prices appreciate.

The Manager uses additional available margin to generate yield, using deep out-of-the-money premium strategies to target 1% additional yield per month. Yield generation is optimized based on market conditions and is deployed in ideal market conditions.

Risk of Loss

An investment in the Funds entails a high degree of risk, including the risk of loss of the entire amount invested. Therefore, an investment in the Funds should be undertaken only by Investors capable of evaluating the merits and risks of the Funds and bearing the potential consequences of the risks it represents. Prospective Investors should carefully consider the following risk factors, and should consult their own legal, tax and financial advisers, in connection with a purchase of Interests or Participating Shares. The following list is not a complete enumeration of all risks involved in connection with an investment in the Funds. There can be no assurance that the Funds will be able to achieve their investment objectives or that Investors will receive a return on, or return of, their capital. Investors should be aware that it is possible for them to lose all or a portion of their investment in the Funds.

General Risks

Limited Operating History. Although the Principals have had experience managing digital assets prior to the formation of the Firm, each of the Funds, the General Partner, and the Manager are recently formed entities and have only limited operating histories upon which prospective investors can evaluate likely performance. There can be no assurance that the Fund will achieve its investment objective.

Business Dependent Upon Key Individuals. The General Partner and Manager are dependent on the services of the Principals and there can be no assurance that it will be able to retain the Principals. The departure, incapacity or death of a Principal could have a material adverse effect on the General Partner's and Manager's management of the investment operations of the Funds.

Absence of Regulatory Oversight. The Funds are not required to be, and therefore will not be, registered under the Investment Company Act, and rely upon an exemption available to privately offered investment funds and, accordingly, the provisions of the Investment Company Act (which, among other things, require investment companies to have a majority of disinterested directors, require instruments held in custody to be individually segregated at all times from the instruments of any other person and to be marked to clearly identify such instruments as the property

of such investment company, and regulate the relationship between the advisor and the investment company) are not applicable.

Risk of Higher Allocation of Administration Expenses. The Funds have had a number of closings to date and expect to have additional closings where additional subscriptions, or increases to existing subscriptions, may be accepted by or on behalf of the Funds. In addition, existing Investors may withdraw from the Funds from time to time. The absence of additional closing dates and periodic withdrawals by Investors would result in the total capital in the Funds declining. The Funds will incur ongoing administrative expenses including, but not limited to, the fees and expenses of the administrator and the Funds' external auditor. Certain of the administrative expenses may be subject to minimum annual amounts under the agreements between the Funds and providers of such administrative services. The administrative expenses could be significant when compared to the overall amount of invested capital in the Funds. In the event that the total capital in the Funds decline, the remaining Investors may bear a proportionally greater amount of the ongoing administrative expenses and a reduced total return.

Master-Feeder Structure. Under the "Master-Feeder" structure to be utilized by the Funds with respect to their investment capital, the Funds will not directly pursue the investment program described in the offering documents but will pursue the investment program through its investment in the Master Fund, which pursues an identical investment program and whose investment portfolio is managed by the Manager. Except to the extent of the Manager's investment discretion over the Master Fund, the management and affairs of the Master Fund will be governed by its board of directors, whose membership may vary from that of the Manager. The rights of the Funds as shareholders of the Master Fund will be governed by the laws of the Cayman Islands. Shares in the Master Fund may be held by investors other than the Funds (including, but not necessarily limited to, the Offshore Feeder). These investors may include other investment funds, including funds exempt from registration under the Investment Company Act, and other types of pooled investment vehicles. The Funds also may be adversely affected otherwise by other investors in the Master Fund. Also, in view of the fact that all expenses of the Master Fund are shared pro rata among its shareholders, if other investors in the Master Fund were to redeem their shares, then the possibility exists that the Funds will bear the burden of an increased share of the Master Fund's expenses. Furthermore, should the Master Fund enter into liquidation, a liquidator may be appointed and such liquidator would have ultimate authority with respect to the Master Fund's assets. In the event that the Master Fund's board of directors or liquidator suspends redemptions at the Master Fund level, the Partnership will be unable to unilaterally effectuate redemptions or control the assets of the Partnership invested in the Master Fund.

No Segregation of Liabilities or Claims Against the Funds. The Funds may issue Interests or Participating Shares in separate classes; however each of the Funds is a single legal entity and the assets of each Fund will be available to satisfy the obligations and liabilities of such Fund without allocation or segregation by class or series. The liabilities and obligations of the Funds will not be segregated or allocated to any particular class or series of Interests or Participating Shares. Accordingly, any liabilities or obligations that might otherwise be attributable to any one class or series will not be segregated or limited to that particular class or series and may be paid out of assets that would otherwise be available to make payments to other classes or series.

Limited Liquidity/No Secondary Market. The Funds' withdrawal provisions place certain restrictions on the right of a Limited Partner to withdraw all or part of its Interest, transfer its Interest and pledge or otherwise encumber its Interest. Thus, it is unlikely that a Limited Partner will be able to liquidate its Interest in the event of a need for cash. Interests may not be transferred or pledged except

in compliance with significant restrictions on transfer as required by federal and state securities and commodities laws and as provided in the Partnership Agreement. The Partnership Agreement does not permit a Limited Partner to transfer or pledge all or any part of its Interest to any person without the prior written consent of the General Partner, the granting of which is in the General Partner's sole and absolute discretion. These limitations, taken together, will significantly limit a Limited Partner's ability to liquidate an investment in the Partnership quickly. As a result, an investment in the Partnership would not be suitable for an investor who needs liquidity. There is no secondary market for Interests and none is likely to develop in the future.

Effect of Substantial Withdrawals. Substantial withdrawals by Limited Partners within a short period of time could require the Funds to liquidate their investments more rapidly than would otherwise be desirable, possibly reducing the value of the Funds' assets and/or disrupting the Funds' investment strategies. Reduction in the Funds' size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Funds' ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Mandatory Withdrawals or Redemptions. In certain circumstances, the General Partner, in its sole and absolute discretion, may suspend the valuation of the Funds' property, the right or obligation to honor withdrawal requests (including the right to receive withdrawal proceeds), and/or extend the period for payment on withdrawal. In addition, the General Partner may suspend the right of withdrawal or postpone the date of payment for any period during which there is an extraordinary circumstance as determined in good faith by the General Partner.

Compulsory Withdrawals. The General Partner has the authority at its sole discretion to force a withdrawal of part or all of the Limited Partner's Interest for any reason including, without limitation, if the General Partner has reason to believe that the Interest is held in violation of any applicable law, rule, regulation, interpretation, guideline, or policy or that withdrawal is in the best interests of the Funds.

Contingency Reserves. Under certain circumstances, the Funds may find it necessary to set up one or more reserves for contingent or future liabilities or valuation difficulties and, upon withdrawal by a Limited Partner, withhold a portion of that Limited Partner's withdrawal proceeds. This could happen, for example, if the Partnership or the issuer of portfolio assets were involved in a dispute regarding the value of its assets, in litigation, or subject to a tax audit at the time the withdrawal request would otherwise be satisfied.

No Distributions and In-Kind Distributions. Although the General Partner expects that all the Funds' positions will be liquidated prior to the dissolution of the Funds and that only cash will be distributed to the Partners, there can be no assurance that the General Partner will meet this objective. In addition, if significant withdrawals are requested, the Funds may be unable to liquidate its positions at the time such withdrawals are requested or may be able to do so only at prices which may not reflect the true value of such positions and which would adversely affect the Limited Partners. Under the foregoing circumstances, the Limited Partners may receive in-kind distributions, if permitted by law or by contract, which in-kind distributions may include financial instruments, digital assets and other assets or instruments held by the Funds as well as equity interests in subsidiaries of the Funds or participating interests in assets owned by the Funds. Such instruments and other assets, which will be selected by the General Partner in its discretion will generally be distributed on a pro rata basis unless prevented by regulatory or legal circumstances. These assets may not be readily marketable or saleable and may have to be held by the Limited Partner, or by the General Partner in trust for the

Limited Partner, for an indefinite period of time. In addition, in-kind distributions may be made when the General Partner deems it advisable for tax purposes.

Side Letters. The General Partner may enter into agreements with certain Limited Partners that will result in different terms of an investment in the Funds than the terms applicable to other Limited Partners. As a result of such agreements, certain Limited Partners may receive additional benefits that other Limited Partners will not receive (e.g., additional information regarding the Funds' portfolio, different withdrawal terms, lower Management Fee rates or Performance Allocation). The General Partner will not be required to notify the other Limited Partners of any such agreement or any of the rights and/or terms or provisions thereof, nor will the General Partner be required to offer such additional and/or different terms or rights to any other Limited Partner. The General Partner may enter into any such agreement with any Limited Partner at any time in its sole discretion.

General Investment Risks. The Funds' success depends on the Manager's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Funds will be successful under all or any market conditions.

The Funds may increase their cash positions to 100% of its assets when the Manager deems it prudent or when a defensive position is warranted in light of market conditions. During such times, interest income will increase and may constitute a large portion of the return and the Funds will not participate in market advances or declines to the extent that it would have if they had been more fully invested. A potential investor in the Funds should note that the prices of the instruments in which the Funds invest may be unavailable. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Limited Diversification. Although the Funds will structure its portfolio so that investments (both individually and in the aggregate) have desirable risk/reward characteristics and so that the Funds may be able to satisfy Limited Partners' requests for withdrawals, the Funds are not subject to any firm restrictions with respect to investments in any particular industry, geography or type of investment. Although the Funds intend to achieve a diversified portfolio of investments, the Funds could have a non-diversified portfolio and may have large amounts of the Funds' assets invested in a small number of investments. Such lack of diversification substantially increases market risks and the risk of loss associated with an investment in the Funds.

Short Selling. The Funds may engage in short selling as part of their general investment strategy. Short selling involves selling crypto assets that are not owned and borrowing the same crypto assets for delivery to the purchaser, with an obligation to replace the borrowed crypto assets at a later date. Short selling allows the Funds to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the crypto assets. However, because the borrowed crypto assets must be replaced by purchases at market prices in order to close out the short

position, any appreciation in the price of the borrowed crypto assets would result in a loss upon such repurchase.

The Funds' obligations under its short sales will be marked to market daily and collateralized by the Funds' assets held at the broker, including its cash balance and its long crypto assets positions. Because short sales must be marked to market daily, there may be periods when short sales must be settled prematurely, and a substantial loss would occur. Purchasing crypto assets to close out the short position can itself cause the price of the crypto assets to rise further, thereby exacerbating the loss. Short-selling exposes the Funds to unlimited risk with respect to that crypto asset due to the lack of an upper limit on the price to which an instrument can rise. Short sales may be utilized to enhance returns and hedge the portfolio. The Funds anticipates that the frequency of short sales will vary substantially in different periods. There are no prescribed limits to the amount of the Funds' assets that may be subject to short sales.

Possible Licensing Requirements. The Funds may seek to become registered or obtain a license if a federal or state regulator determines the Funds' operations require it, the General Partner or the Manager to register or obtain a license (e.g., investment company, investment adviser, commodity trading advisor money services business, money transmitter, etc.). Any such regulatory obligations may cause the Funds, the General Partner or the Manager to incur additional and possibly extraordinary expenses, which could materially and adversely affect the Partnership. To the extent the Funds, the General Partner or the Manager is unable to comply with any regulatory requirements or otherwise decides not to pursue such registration or licensing, the Partnership may be forced to liquidate.

Currency Risks. The value of the Funds' assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Funds changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments.

Hedging Risks. The General Partner on behalf of the Funds generally may enter into hedging transactions with the intention of reducing or controlling risk. Even if the General Partner is successful in doing so, the cost of hedging may have the effect of reducing returns. Furthermore, it is possible that the General Partner's hedging strategies will not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged, increasing rather than reducing both risk and losses.

To the extent that the General Partner hedges, its hedges may not be static but rather might need to be continually adjusted based on the General Partner's assessment of market conditions, as well as the expected degree of non-correlation between the hedges and the portfolio being hedged. The success of the General Partner's hedging strategy may depend on its ability to implement this dynamic hedging approach efficiently and cost effectively, as well as on the accuracy of the General Partner's ongoing judgments concerning the hedging positions to be acquired.

Cybersecurity Risk. The Funds, the Manager and third-party service providers are all subject to risks associated with a breach in cybersecurity. A cybersecurity breach could expose the Funds and the Manager to substantial costs (including, without limitation, those associated with forensic analysis of the origin and

scope of the breach, increased and upgraded cybersecurity services, identity theft, unauthorized access to and use of proprietary information, litigation, the dissemination of confidential and proprietary information, and reputational damage), civil liability, and regulatory inquiry and/or action.

While the Manager has established a business continuity plan and cybersecurity policy including risk management strategies, systems, and policies and procedures to seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, and policies and procedures including the possibility that certain risks have not been identified. In addition, since the Manager does not directly control the cybersecurity systems of third-party service providers, there can be no assurance that the cybersecurity practices of these providers will protect the Funds or the Manager from any potential breaches.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the entire brochure, the Funds' offering documents, and all other accompanying materials provided by the Manager before deciding whether to invest. In addition, as the Manager's investment philosophy develops and changes over time, an investment in the Funds may be subject to additional and different risk factors. The Manager will promptly amend this brochure if and when any information regarding its investment risks becomes materially inaccurate.

Risks Associated with Investing Directly or Indirectly in Cryptocurrency Assets

Short History of Cryptocurrency Assets. Bitcoin, Ether and other cryptocurrency assets and networks (together, "Crypto Assets") have existed for a relatively short time, which limits a potential investor's ability to evaluate an investment in the Funds. Ether is the native token of Ethereum, the second largest blockchain network ranked by market capitalization as of September 30, 2020. Ethereum was described in a white paper in late 2013, and an online crowd sale to fund development took place between July and August 2014. The network went live in July 2015. The Ethereum network is a digital decentralized ledger protocol that powers smart contracts. The differing focus of any such digital asset could affect its growth and acceptance by users, which may negatively affect its expansion and an investment in the Interests.

In addition, there is no assurance that Crypto Assets will maintain their value over the long-term. The value of Crypto Assets is subject to risks related to its usage. Even if growth in Crypto Assets adoption occurs in the near or medium-term, there is no assurance that Crypto Assets usage will continue to grow over the long-term. A contraction in use of Crypto Assets may result in increased volatility or a reduction in the price of Crypto Assets, which would adversely impact the value of the Funds.

Loss or Destruction of a Private Key. Transfers of Crypto Assets among users are accomplished via Crypto Assets transactions (i.e., sending Crypto Assets from one user to another). The creation of a Crypto Assets transaction requires the use of a unique numerical code known as a "private key." In the absence of the correct private key corresponding to a holder's particular Crypto Assets, the Crypto Assets are inaccessible for usage. The Funds intend to safeguard and keep private the private keys relating to its Crypto Assets holdings. To the extent the Funds' private keys are lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Funds will be unable to access their Crypto Assets. Any such loss could adversely affect an investment in the Funds.

ITEM 9. DISCIPLINARY INFORMATION

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of our business or the integrity of our management. We have not been subject to any legal or disciplinary event that would require disclosure under applicable SEC rules. No management person at the Registrant or its affiliates has been the subject of any legal or disciplinary action or event.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

This section of our brochure describes the activities and relationships that the Firm and its management persons engage in or have with other financial industry participants.

The Manager operates the Funds pursuant to CFTC Rule 4.13(a)(3) on the basis that, among other things (i) the aggregate net notional value of commodity interest positions, determined at the time the most recent position was or is established, does not exceed 100% of the liquidation value of the Funds' portfolio, after taking into account unrealized profits and losses on any such positions and (ii) that each investor in the Funds is reasonably believed to be an "accredited investor" under the Securities Act of 1933. As such, the Manager is not required to deliver a CFTC disclosure document to prospective investors, nor is it required to provide investors with certified annual reports that satisfy the requirements of CFTC rules.

The Manager, any placement agents and their respective officers, directors, stockholders, members, employees, affiliates and agents may be subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, the Funds.

The Manager may purchase or otherwise acquire on behalf of any managed accounts and other investment partnerships or funds (collectively, "Clients"), including the Funds, different classes of debt and/or equity of the same borrower or issuer. These and other investments may be deemed to create a conflict of interest, particularly because the Manager may take certain actions for some Clients with respect to one class of debt or equity that may be adverse to other Clients of the Manager or its affiliates who hold other classes of debt or equity of the same borrower or issuer. In such cases the Manager will act in a manner reasonably believed to be most equitable to all Clients under the circumstances.

Without notice to the Investors, the Manager and its affiliates may engage in other business and furnish investment management and advisory services to other Clients whose investment policies differ from those followed by the Manager on behalf of the Funds with respect to the investments of the Funds and which may own securities of the same class, or which are the same type, as the Funds' investments or other securities of the issuers of the Funds' investments. Any action taken by the Manager with respect to the Funds' investments will not be proprietary to the Funds. The Manager and/or its affiliates may make recommendations to or effect transactions for such other Clients which may differ from those effected with respect to the Funds' investments. Some of the securities purchased by the Funds on or prior to the closing date may have been held by other Clients or affiliates of the Manager.

In addition, the Offshore Funds and the U.S. Funds follow an investment program that is substantially similar, and intend to invest all or substantially all of their assets in, and to conduct their investment program primarily through, the Master Fund. However, the U.S. Funds and the Offshore Fund may also make and hold investments directly rather than through the Master Fund, in instances in which the Manager deems that it would be appropriate for the Funds to do so for tax, regulatory or operational reasons. Interest Holders in the U.S. Fund will have no interest in the Offshore Fund or any of its assets and Participating Shareholders in the Offshore Fund will have no interest in the U.S. Funds or any of their assets.

Officers and employees of the Manager will devote as much of their time to the activities of the Funds as they deem necessary and appropriate to manage the Funds' business. Neither the Manager nor its affiliates are restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of the Manager. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Manager and its officers and employees will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and the management of the monies of other advisees of the Manager.

The Manager and its affiliates may also carry on investment activities for their own accounts and for family members and friends of the Manager who do not invest in the Funds, and may give advice and recommend securities to other Clients which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

The Manager may engage in affiliated transactions on behalf of the Funds, but only in accordance with the requirements of Section 206 of the Advisers Act and shall adopt policies and procedures for such purpose.

Neither the Manager nor any of the Manager's affiliates have any affirmative obligation to offer any investments to the Funds or to inform the Funds of any investments before offering any investments to other Clients. The Manager and its affiliates may also make investments on their own behalf without offering such investment opportunities to the Funds. Furthermore, the Manager and its affiliates may be bound by affirmative obligations, at present or in the future, whereby it or they are obligated to offer certain investments to Clients before or without the Manager or its affiliates offering those investments to the Funds.

Alternatively, the Manager and its affiliates may offer certain investments to Clients simultaneously with or in addition to offering those investments to the Funds. Thus, Clients could become co-investors with the Funds. Co-investment opportunities may be subject to, among other things, regulatory approvals and advisory board and independent board member approvals of the relevant Client, the receipt of which, if sought, cannot be assured. Any such co-investments or related transactions may raise potential conflicts of interest, particularly if the Funds and such other Client invest in different classes or types of securities of the same investment. In that regard, actions may be taken by such other Client that are adverse to the Funds. In addition, it is possible that in a bankruptcy proceeding the Funds' interest may be subordinated or otherwise adversely affected by virtue of such other Client's involvement and actions relating to their investment.

When it is determined that it would be appropriate for the Funds, on the one hand, and one or more other investment accounts managed by the Manager, on the other hand, to participate in an investment opportunity, the Manager will seek to execute orders for all of the participating investment accounts, including the Funds, on a fair and equitable basis, taking into account such factors including, but not limited to, the investment objectives and guidelines of the participating investment accounts, the relative amounts of capital available for new investments, relative exposure to market trends, transaction costs, the portfolio positions of the participating investment accounts or other structural requirements and the manner in which the investment in question is likely to affect the amount of available capital after the investment is made. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities and Digital Assets may be allocated among the different accounts on a basis which the Manager considers equitable. Nevertheless, it is possible that the Funds may not be given the opportunity to participate in certain investments made by Clients advised by the Manager and its affiliates.

As the investment manager for the Funds, the Manager may purchase assets and synthetic securities from affiliates or otherwise engage in affiliated transactions; provided, however that any such transactions will only be done in a manner consistent with the requirements of Section 206 of the Advisers Act and the policies and procedures adopted by the Manager.

The Manager may cause the Funds to engage in cross trades with one or more other Clients, in order to further the Funds' and such other funds' or accounts' respective investment programs, or for other reasons consistent with the investment and operating guidelines of the Funds and such other funds or accounts. Generally, the value of any positions that are cross-traded in this manner will be determined in a manner that is consistent with the fair valuation methodologies that are used by the Manager.

The Manager may also effect principal transactions between itself or its affiliates and the Funds. Any transaction effected between the Funds and the Manager or its affiliates on a principal or agency basis shall be conducted at arm's length for fair market value and on terms as favorable to the Funds as would be the case in a transaction with an independent third party and in accordance with any obligation of the Manager under applicable law.

Placement agents, if any, that solicit Investors on behalf of the Funds, or introduce Investors to the Funds, are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. The Manager may engage affiliates from time to time to act as placement or introducing agents. By acquiring Interests or Participating Shares in the Funds, each Investor will be deemed to have acknowledged the existence of the actual and potential conflicts of interest that may exist between any affiliates of the Manager acting as placement or introducing agents and the Funds or Investors and to have waived any claim with respect to the existence of any such conflicts of interest. The Manager may pay a portion of the Management Fee and/or Incentive Allocation to affiliates that act as placement or introducing agents upon any such potential investors subscribing for and acquiring Interests or Participating Shares. Investors solicited by placement or introducing agents will be advised of, and asked to consent to, any compensation arrangements relating to their solicitation.

Affiliates and employees of the Manager may be equity Investors in the Funds.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Registrant has adopted a Compliance Program pursuant to Rule 204A-1 under the Advisers Act, including guidelines regarding ethics, personal trading and Client transactions, among other policies and procedures. Our primary duty and responsibility is to our Investors in the Funds. We are dedicated to performing our services and fulfilling our obligations to the Funds and other Clients with the highest standards of integrity, conduct and professional execution in pursuit of these goals. The Code of Ethics includes various anti-fraud provisions, which makes it unlawful for investment advisers and supervised persons to engage in any activities which may be fraudulent, deceptive or manipulative. It sets ethical standards for compliance with securities laws, safeguarding material non-public information about Clients' transactions and portfolio holdings, and obtaining initial and annual reports of securities holdings for supervised persons. The Code of Ethics identifies conduct which could compromise these objectives, or that has an appearance of impropriety, and contains policies and procedures designed to detect and prevent such conduct, including such conduct as the mishandling of material non-public information. In principal part, our Compliance Program seeks to promote desirable conduct through policies affecting its personnel and the policies the Registrant is to follow in connection with the investment, monitoring and administration of the Funds. We will provide a copy of our Code of Ethics to any Investor or prospective investor in the Funds upon request. In addition, our full Compliance Program manual is available for review on site.

Although the Compliance Program permits supervised persons to trade in securities or Digital Assets, it contains significant safeguards designed to protect from abuses in this area. The Registrant and its affiliates may recommend securities or Digital Assets in which we or a related party invest or have a material financial interest. Additionally, we may recommend securities to the Funds at or about the same time that we or a related party buy or sell the same securities for ourselves or for another Client. These and related conflicts of interests are discussed above in “Other Financial Industry Activities and Affiliations.”

Supervised persons must disclose personal securities and Digital Assets accounts (including any accounts for their immediate family and household members), initial/annual securities and Digital Asset holdings and report at least quarterly any reportable transactions in their personal accounts and their related personal accounts. In addition, supervised persons must pre-clear the purchase or sale of any securities or Digital Assets on the Restricted List with the Chief Compliance Officer prior to any trade (excluding any open-end mutual funds, ETFs or other similar non-directed investment vehicle). The Chief Compliance Officer may periodically review supervised persons’ securities accounts to ensure there are no improper investments or trades made, among other things.

The Compliance Program of the Registrant also seeks to prevent insider trading as well as provides guidelines, among other guidelines, for the outside business activities of investment personnel, and the receiving/giving of gifts and entertainment.

ITEM 12. BROKERAGE PRACTICES

A. Best Execution, Research and Soft Dollar Benefits

As a fiduciary, the Registrant has an obligation to obtain best execution for Client transactions based on the circumstances of each particular transaction. We consider the full range and quality of a broker-dealer’s services in placing orders with a brokerage firm including, among other things: execution capability; existing relationships; financial strength; reputation; pricing; reporting capabilities; and responsiveness. The determining factor is not solely the lowest possible commission or cost, but whether the transaction represents the best qualitative execution for the Funds.

Soft dollars generally refers to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for Client accounts.

Section 28(e) of the Securities Exchange Act of 1934 allows and provides a safe harbor for discretionary investment advisers to pay an increased commission, above what another broker-dealer would charge for executing a transaction, for research and brokerage services, provided the adviser has made a good faith determination that the value of the research and brokerage services qualifies as reasonable in relation to the amount of commissions paid. Further, under SEC guidelines, the determination as to whether a product or service is research or other brokerage services, and eligible for the Section 28(e) safe harbor, is whether it provides lawful and appropriate assistance to the investment manager in performance of its investment decision-making responsibilities.

To the extent that the Funds invest in more traditional securities and similar types of assets, portfolio transactions for the Funds may be allocated to brokers and dealers on the basis of best execution and in consideration of, among other factors, a broker’s or dealer’s ability to effect the transactions, its facilities, reliability and financial responsibility and, in certain cases related to broker-executed transactions, the provision or payment by the broker of the costs of research and research-related services which are of benefit to the Funds, the Manager and related funds and accounts. The commissions and other

transaction costs (which may include dealer markups or markdowns arising in connection with riskless principal transactions) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such products and services.

The Manager reserves the right to use “soft” dollars to the extent consistent with any applicable law or regulation. The Manager expects that any such use of “soft” dollars will fall within the safe harbor for “soft” dollars created by Section 28(e) of the Exchange Act in accordance with Two Prime’s relevant policy. Under Section 28(e) of the Exchange Act, research obtained with “soft” dollars generated by the Funds may be used by the Manager to service accounts other than the Funds’ accounts. Where a product or service obtained with “soft” dollars provides both research and non-research assistance to the Manager, the Manager will make a good faith effort to allocate the cost of such product or service between “soft” and hard dollars reasonably according to its use. Research products and services provided to the Manager may include research reports on particular industries and companies, economic surveys and analyses, advice from legal, strategic, financial and industry consultants and advisors, recommendations as to specific securities, and other products and services providing lawful and appropriate assistance to the Manager in the performance of its investment decision-making responsibilities.

The Funds’ transactions can be expected to generate brokerage commissions (or dealer markups and markdowns) and other compensation, all of which the Funds, not the Manager, will be obligated to pay. The Manager will have discretion in deciding what brokers and dealers the U.S. Funds and the Offshore Fund, respectively, will use and in negotiating the rates of compensation each of the Funds will pay. In addition to using brokers as “agents” and paying commissions, the Funds may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

While not intended to be a frequent practice, from time to time, the Funds may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker(s) used by the Funds may acquire or dispose of an investment through a market-maker (a practice known as “interpositioning”). The transaction may thus be subject to both a commission and a markup or markdown. The Manager believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for the Funds. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

The Funds do not currently anticipate engaging a prime broker. The Funds may establish relationships with one or more prime brokers from time to time in the discretion of the Manager. The services provided by a prime broker may include the provision of custody, margin financing, clearing, settlement, securities borrowing and non-U.S. exchange facilities. The prime broker may also act as custodian of all or a portion of the Funds’ securities, but is not expected to receive any separate fee therefor.

The Funds are not obligated to maintain any prime broker relationship and any prime broker will not exercise investment discretion on behalf of the Manager or the Funds. Securities and other assets of the Funds may be held in securities accounts at the prime broker maintained by the Funds.

To the extent that securities are purchased in non-U.S. markets, a prime broker would typically be permitted to utilize the services of its sub-custodians located in the country in which the securities are purchased. Such sub-custodians would typically maintain custody of the securities until such time as they are sold, at which point uninvested proceeds would be transferred back to the Funds’ accounts at such prime broker.

B. Brokerage for Client Referrals and Directed Brokerage

The Registrant does not direct securities transactions to any broker-dealer in exchange for Client referrals or any other consideration, nor does the Registrant engage in directed brokerage or permit Clients to direct the execution of transactions through a specified broker-dealer.

C. Trade Aggregation or Allocation Policy

The Registrant maintains policies and procedures governing the manner in which we aggregate transactions and allocate investment opportunities among the Funds and any other funds or accounts that may in the future be managed by Two Prime (each, an “Account”). The principal factor driving these trade aggregation and allocation policies and procedures is the fair and equitable treatment of the Funds and any Accounts.

On occasions when we deem the purchase or sale of a security or Digital Asset to be in the interest of multiple Clients, we may, to the extent permitted by applicable laws and regulations, aggregate the securities or Digital Assets to be sold or purchased in order to obtain best execution and lower commission expenses, if any. In the event of any aggregation, allocation of the securities or Digital Assets so purchased or sold, as well as the expenses incurred in the transaction, shall be made by us in a manner that we consider to be equitable and consistent with our obligations to all Clients participating in the transaction.

Various factors are considered in the allocation of such opportunities, including whether the Funds and Accounts, if any, has sufficient liquidity to invest in the security that is being considered, the size of the position relative to other investments within such vehicle and other factors. Under this procedure, transactions will generally be averaged as to price and allocated among our Clients’ pro rata, based on original allocation to the purchase and sale orders placed for each Client on a given day. In the event that we determine that pro rata allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, the investment may be allocated to the Account with the smallest order or the smallest position or to an Account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one Account when one Account has limitations on its investment guidelines which prohibit it from purchasing other securities or Digital Assets which are expected to produce similar investment results and can be purchased by other Accounts; (iii) if an Account reaches an investment guideline limit and cannot participate in an allocation, the opportunity may be allocated to other Accounts (this may be due to unforeseen changes in an Account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to Accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more Accounts, we may exclude the Account(s) from the allocation and the transaction may be executed on a pro rata basis among the remaining Accounts; or (vi) in cases where a small proportion of an order is executed in all Accounts, the opportunity may be allocated to one or more Accounts on a random basis.

ITEM 13. REVIEW OF ACCOUNTS

A. Account Reviews

On each business day, accounts of the Funds are reviewed and discussed. Any material changes in performance, risk status, liquidity, or other risk metrics are presented by the account manager and appropriate changes, if any, are recommended.

On a monthly basis, the Firm reviews the monthly valuation report and performs a reconciliation of such valuation report with the valuation guidelines of the Funds. In addition, the senior management team of Two Prime reviews the performance and valuation of each investment in the Funds. Lastly, an

independent accounting firm reviews and confirms the valuation of each portfolio investment in the Funds on a monthly basis based on the materials provided to it through the management team of the Manager.

On a yearly basis, an independent accounting firm reviews and confirms the valuation of each portfolio investment in the Funds at year-end based on the materials provided to it through the management team of the Two Prime.

B. Reports to Clients

Investors will receive an annual financial statement of the relevant Fund in which they are invested and other financial information at least quarterly as to the performance of the Funds. The Firm may also send periodic communications to investors regarding the Funds' performance and/or investments.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

The Manager does not currently seek Client referrals and/or compensate third party firms for referring Clients to invest in the Funds. The Firm does not currently accept economic benefits from non-Clients for providing advisory services to our Clients.

ITEM 15. CUSTODY

Client assets are required to be held by a custodian unaffiliated with Two Prime. Although the Manager does not maintain physical custody of the Funds' assets, under the Advisers Act the Manager is deemed to have custody of the Funds' assets because it serves as investment manager to the Funds and therefore has a deemed "power of attorney," whereby it can instruct the payment of fees from the Funds to itself and Incentive Allocations to itself or to an affiliate. Therefore, the Firm must comply with certain "custody" requirements under the Advisers Act. To comply with these requirements, the Manager will:

- Ensure that the assets of its Clients are maintained in custodial accounts with a "qualified custodian";
- Provide notice to Clients about the qualified custodian. This notice is incorporated into the Funds' offering documents.

In order to further comply with custody requirements, the Manager requires (1) the appointment of an independent public accounting firm that is registered with the Public Company Accounting Oversight Board (PCAOB) to conduct an annual audit of Fund financial statements, (2) distribution of the audited financial statements within 120 days of the fiscal year-end to each Investor, and (3) upon liquidation of a Fund, the performance of a liquidation audit and distribution of the related financial statements to Investors promptly upon completion of such audit.

ITEM 16. INVESTMENT DISCRETION

As described above in "Advisory Business" we have discretionary authority with respect to all Client accounts, including the Funds' investments. Limitations on such discretion, if any, are disclosed in the relevant Management Services Agreement and/or the offering documents of the Funds.

ITEM 17. VOTING CLIENT SECURITIES

Two Prime invests primarily in Digital Assets and does not expect to significantly invest in equity voting securities.

To the extent proxies are received for any type of investment, including Digital Assets if applicable, the Firm complies with its proxy voting policies and procedures that are designed to ensure that in cases where it votes proxies with respect to Fund securities, such proxies are voted in the best interests of each of the Funds, which may result in different voting results for proxies for the same issuer. The Manager votes proxies in the interest of maximizing value for the Funds and the Investors in the Funds. To that end, the Firm endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Two Prime believes that voting proxies in accordance with the following guidelines is in the best interests of the Funds:

- Generally, the Manager will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.
- Generally, the Manager will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

For other proposals, Two Prime shall determine whether a proposal is in the best interests of the Funds and may take into account the following factors, among others:

- whether the proposal was recommended by management and the Firm's opinion of management;
- whether the proposal acts to entrench existing management; and
- whether the proposal fairly compensates management for past and future performance.

The Chief Compliance Officer will identify any conflicts that exist between the interests of the Firm and the Funds. This examination will seek to include a review of the relationship of the Manager and its affiliates with the issuer of each security and any of the issuer's affiliates to determine if the issuer is an Investor or has some other relationship with the Firm or the Funds.

If a material conflict of interest between Two Prime and a Fund exists, the Firm will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of such Fund or take some other appropriate action. Investors may obtain a copy of the Manager's proxy voting policies and procedures and information about how the Manager voted a Fund's proxies by contacting the Chief Compliance Officer.

ITEM 18. FINANCIAL INFORMATION

We are required to provide Clients with certain financial information or disclosures about our financial condition because we have discretionary authority over our Clients' accounts. We have no financial

commitment that impairs our ability to meet contractual commitments to Clients and have not been the subject of bankruptcy proceedings.