

**Item 1. Cover Page**

**AH Capital Management, L.L.C.**

2865 Sand Hill Road  
Menlo Park, CA 94025  
650-798-5000

Part 2A of Form ADV: Firm Brochure  
March 2023

This brochure provides information about the qualifications and business practices of AH Capital Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at [compliance@a16z.com](mailto:compliance@a16z.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about AH Capital Management, L.L.C. (the "Adviser") also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.

## **Item 2. Material Changes**

This Brochure, dated March 2023, is filed as an annual updating amendment.

This Brochure has been amended to update the description of the business practices of the Adviser and its affiliates, including updates to Item 5 fee and expense disclosure and Item 8 risk disclosures.

We recommend you read this Brochure in its entirety.

### Item 3. Table of Contents

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#### **Item 4. Advisory Business**

For purposes of this brochure, the "Adviser" means AH Capital Management, L.L.C., a Delaware limited liability company, together (where the context permits) with its affiliated general partners of the Funds (as defined below). The Adviser provides investment advisory services to investment vehicles ("Funds") that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act").

The Funds invest primarily in early stage and later-stage privately held companies as well as Digital Assets, as defined below in Item 8, although certain Funds invest and/or hold securities in public companies from time to time. The Adviser's advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments.

The Adviser provides investment advisory services to the Funds in accordance with the limited partnership agreement of each Fund and separate management services agreement (each, an "Advisory Agreement").

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable Fund's general partner (a "General Partner"), and not individually to the investors in a Fund (the "Investors" or the "Limited Partners"). Services are provided to a Fund in accordance with the Advisory Agreement with a Fund and/or organizational documents of a Fund. Investment restrictions for a Fund, if any, are established in the organizational or offering documents of the Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the Fund (such documents collectively, the Fund's "Organizational Documents").

The principal owners of AH Capital Management, L.L.C. are Marc Andreessen and Ben Horowitz. The Adviser has been in business since 2009. As of December 31, 2022, the Adviser manages \$ 53,226,221,969.08 in regulatory assets under management, on a discretionary basis. The Adviser does not manage assets on a non-discretionary basis.

#### **Item 5. Fees and Compensation**

The Adviser receives Advisory Fees and Carried Interest, each defined below, from the Funds. Additionally, consistent with each Fund's Organizational Documents, the Funds bear certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Funds and/or their portfolio companies. Further details about such fees and expenses are set forth below.

## Advisory Fees

As compensation for investment advisory services rendered to a Fund, the Adviser receives an advisory fee (an "Advisory Fee") calculated based on the Fund's committed capital, invested capital, aggregate acquisition cost of Fund investments, or net asset value. Advisory Fees may be reduced during the life of a Fund. Advisory Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund's activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

Advisory Fees billed to and received from the Funds are payable quarterly in advance.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser and are set forth in each Fund's Organizational Documents, which are received by each investor prior to investment in a Fund. The Advisory Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Adviser in its sole discretion. A waiver does not obligate the Adviser to waive fees in the future. The fee structures described herein may be modified from time to time.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are returned on a prorated basis.

Certain investors in the Funds that are employees, business associates and other "friends and family" of the Adviser or its personnel ("Adviser Investors") will not typically pay Advisory Fees or Carried Interest in connection with their investment in a Fund. Notwithstanding that Adviser Investors will generally not pay Advisory Fees, Adviser Investors will pay for their pro rata share of certain Fund expenses or the pro rata portion of such Adviser Investors' expenses will be allocated to the Adviser or the General Partner of a Fund.

The Advisory Fees paid by a Fund will generally be reduced by the amount of fees (not expenses) paid by the Funds to persons acting as a placement agent in connection with the offer and sale of interests in the Fund to certain potential investors. Further, fees and expenses incurred by the Adviser in connection with the organization of the Fund are capped at a limit specified in each Fund's Organizational Documents.

In addition, while the Adviser does not currently anticipate receiving transaction fees, monitoring fees, consulting fees, director's fees (or other compensation), break-up fees or similar fees from actual or prospective portfolio companies of the Funds ("Other Fees"), to the extent the Adviser or its affiliates do receive Other Fees, the Advisory Fees paid by a Fund will generally be reduced by up to the full amount of such Other Fees. The amount and manner of the foregoing reductions are set forth in the Organizational Documents of

the Funds. To the extent a reduction relates to more than one Fund, the Adviser shall allocate the resulting Advisory Fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the relevant investment. Generally, the portion of Other Fees allocable to capital invested by a co-investment vehicle or third-party co-investor that does not pay Advisory Fees will be retained by the Adviser and such amounts will not offset any Advisory Fee. Due to the timing of receipt of compensation subject to offsets, Fund investors will not receive the full benefit of reductions or offsets. Fund investors will not receive the benefit of offsets in periods where Advisory Fees are waived. Other Fees may be substantial and may be paid in cash, in kind of the portfolio companies or investment vehicles (or rights thereto) or otherwise. In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Other Fees do not include fees or compensation, including equity compensation, received by any individual whose primary relationship with the Adviser is as mere "venture partner", "entrepreneur-in-residence", "executive-in-residence", consultant, contractor, or adviser (as those terms are generally understood in the venture capital and private equity industries) (collectively, "Special Consultants"), even if such individual technically qualifies as an "employee" of the Adviser or a Fund's General Partner under applicable law; provided, that fees received by full-time, permanent employees of the Adviser or the Fund's General Partner will be considered Other Fees to the extent they otherwise satisfy the definition of "Other Fees" included above.

## Expenses

### *Adviser Expenses*

To the extent provided in the Organizational Documents of a Fund, the Adviser will pay out of Advisory Fees the following normal overhead and administrative expenses incurred by the Adviser or its affiliates in connection with the management of the Fund: (i) salaries and wages of employees of the Fund, its General Partner, the Adviser and their respective affiliates (other than Carried Interest described in Item 6 below), (ii) travel and entertainment expenses of the Fund's General Partner, the Adviser and their respective members, offices and employees, (iii) rentals payable for space used by the Adviser or the Fund, (iv) expenditures for equipment by the Adviser or the Fund and (v) costs and expenses related to regulatory compliance (to include governmental audits and investigations) of the Adviser and the General Partners.

### *Fund Expenses*

Consistent with the Organizational Documents of the Funds, each Fund will bear all costs and expenses incurred by the Fund, its General Partner, and the Adviser on behalf of the

Fund (except for those expenses borne by the Adviser, as noted above), including, without limitation, all costs and expenses incurred in respect of: the actual or proposed investigation, purchase, holding, storage, custody, third party Digital Asset staking and delegation, or sale or exchange or other actual or proposed disposition of Fund investments, including, but not by way of limitation, reasonable private placement and finder's fees in contemplation of an investment by the Fund paid to persons other than the General Partner or members of the General Partner or any of their respective affiliates; fees, interest or other carrying charges incurred by a Fund to unrelated third parties in connection with the Fund's obtaining or carrying financing pursuant to a line of credit or other borrowing; real property or personal property taxes on investments; brokerage fees, commissions and other transaction related compensation and charges arising out of transactions involving Fund assets; taxes applicable to the Fund on account of its operations; fees incurred in connection with the maintenance of bank or custodian accounts; legal, audit, and other expenses incurred in connection with the registration or placement of the Fund's investments under the Securities Act of 1933 or other applicable law; expenses incurred pursuant to any regulatory, licensing and governmental registration of a Fund, as well as filing and other fees made on behalf of the Fund including state notice filings; anti-money laundering or other regulatory costs of the Cayman Islands or other jurisdictions in which the Fund is organized and/or operates, as well as collecting, validating or verifying limited partner payments or wire information, whether or not related to anti-money laundering laws; costs of past or anticipated Fund restructurings and amendments; investor transfer expenses, to the extent not borne by the relevant transferor investor; expenses incurred with respect to legal and accounting fees and expenses incurred in connection with the investigation, purchase or sale or exchange or other disposition of Fund investments (whether or not such purchase, sale, exchange or other disposition is ultimately consummated and/or whether such investment was offered to co-investors) including expenses associated with compliance with CFIUS, the DPA, the European Union's Alternative Investment Fund Managers Directive or the Hart-Scott-Rodino Antitrust Improvements Act of 1976; and fees and expenses of investment advisers and independent consultants, including those incurred in investigating and evaluating investment opportunities. The Funds will also bear the fees of the independent certified public accountant incurred in connection with the annual audit of the Fund's books and the preparation of the Fund's financial statements and annual tax return, costs of independent appraisers, accounting and valuation providers and software, bookkeeping and similar expenses paid to third parties for the maintenance of the Fund's books and records and preparation and delivery of reports and notices, audits and investigations of the Adviser, the General Partner or Fund; legal expenses of the Fund, premiums associated with insurance, if any, to insure against any claims that could be made directly against the Fund, the General Partner, the Adviser or any indemnified persons or that could give rise to a Fund liability pursuant to the Fund's Organizational Documents, preparation and other expenses associated with annual and other reports to the partners, costs associated with any Fund information meetings (including printing costs, venture expenses and meals), expenses of the advisory committee meetings (including printing costs, venture expenses and meals) and

reimbursement of reasonable out-of-pocket costs for the advisory committee members and the Adviser and its personnel to attend such meetings including travel, lodging, and meals, costs of the Adviser and its personnel associated with limited partner annual meetings, including printing costs, venue expenses, and meals, and all legal fees and expenses incurred in prosecuting or defending administrative or legal proceedings, including fees in connection with regulatory investigations concerning portfolio company activities, including investigations, inquiries, arbitration and dispute resolution processes, relating to the Fund brought by or against the Fund, the Adviser or the General Partner, or the members, partners, employees or agents or former members, partners, employees or agents of any of the foregoing. The Funds will also bear all the organization costs, fees and expenses incurred by or on behalf of the Fund, in an amount not to exceed a threshold specified in the Funds' Organizational Documents as well as all liquidation costs, fees and expenses incurred by the General Partner, the Adviser, or members of the Adviser in connection with the liquidation of the Fund's assets.

In addition, the Adviser, has previously, and may in the future, engage one or more fund administrators or similar service providers to perform certain functions in relation to the Funds, which services include coordination of the Fund's legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the valuation process and investor correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting which with the Funds are required to comply. In certain instances, employees of such service providers dedicate substantially all of their time to the Funds or spend all or a significant majority of their business time at the Adviser's offices. These expenses related to such service provider employees are borne by the Funds.

From time to time, the General Partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the General Partner creates an SPV, consistent with the Organizational Documents of a Fund, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV. Expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in a Fund (including, without limitation, expenses of accounting and tax services) will typically be borne by the Fund.

### *Co-Investment Vehicle Expenses*

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund is formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-



investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction ("Dead Deal Costs") would therefore be borne by the Funds. Similarly, co-investment vehicles are not typically allocated any share of break-up fees paid in connection with such an unconsummated transaction. As a general matter, no co-investor will bear Dead Deal Costs or receive any portion of break-up fees until they are contractually committed to invest in the prospective investment. Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed transaction, costs and expenses relating to such co-investment vehicle will, in certain situations, be borne by the Funds, regardless of whether such proposed transaction is consummated.

### *Allocation of Expenses*

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between a Fund and other parties. Certain expenses may be the obligation of a Fund and may be borne by a Fund or, expenses may be allocated among a Fund and other entities. In exercising its discretion to allocate fees and expenses, the Adviser will be faced with a variety of potential conflicts of interest. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

The appropriate allocation between the Funds, Adviser Investors and Third Parties (defined in Item 11 below) of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the Organizational Documents of each Fund, as applicable.

With respect to allocating other expenses among Fund(s), co-investment vehicles, Adviser Investors and/or Third Parties, as appropriate, to the extent not addressed in the Organizational Documents of a Fund, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance.

It is critical that Investors refer to the relevant confidential private offering memorandum, explanatory memorandum, and other Fund Organizational Documents for a complete understanding of Advisory Fees and expenses. The information contained herein is a

summary only, qualified in its entirety by such documents, and does not preclude materially different fee and expense terms for future Funds sponsored or managed by the Adviser and its affiliates.

#### Carried Interest Payments

Please see Item 6 below regarding “Carried Interest” that the Funds pay, depending on the terms of the applicable Organizational Documents.

#### Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

### **Item 6. Performance-Based Fees and Side-By-Side Management**

A portion of the profits of the Funds are distributed to its General Partner as “carried interest” (the “Carried Interest”). The General Partner is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in that Fund.

The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the performance of a Fund) may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated, but not eliminated, by certain limitations on the ability of the Adviser to establish new investment fund and contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interest are generally addressed by the Adviser.

### **Item 7. Types of Clients**

The Adviser currently provides investment advisory services to investment vehicles or Funds as described in Item 4. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partners of the Funds) and not individually to investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified

purchasers” as defined in the 1940 Act, and include, among others, high net worth individuals, banks, fund-of-funds, pension and profit-sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities. In some cases, the Funds may accept “accredited investors” who do not meet the definition of “qualified purchasers” including knowledgeable employees and other individuals.

The Adviser does not currently have a minimum size for a Fund.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### Methods of Analysis and Investment Strategies

The Funds may invest in early stage and later-stage privately held companies. The size and nature of investments in such companies will be varied. Investments in early stage and later-stage companies are principally made in technology companies including information technology companies and companies at the intersection of biology, computer science engineering and healthcare. Many of the companies in which the Funds invest are based in Silicon Valley; however, the Funds also invest in opportunities outside of Silicon Valley. Specifically, the Funds invest in private companies at all stages of a company’s development from seed to early stage and later-stage companies. The Adviser and its affiliates work closely with each company in which the Funds invest.

The Funds also invest in cryptocurrencies, decentralized application tokens, protocol tokens and other cryptofinance coins, tokens and digital assets and instruments that are based on blockchain, distributed ledger or similar technologies (“Digital Assets”). The size and nature of the investments will be varied. In some cases, investments will be made in pure equity transactions through which the Funds would own an equity interest in the underlying company sponsor. The Funds may also seek to couple an equity investment with an option to purchase crypto tokens in the future or structure a transaction to acquire equity that may convert at some point into crypto tokens. For existing tokens, the Funds may make investments via purchases in the secondary market or via primary issuances from the network sponsor. To the extent the Funds invest in equity or equity-based securities, the Funds would be able to return capital to investors only to the extent that the issuer of the securities chooses to register those securities via an initial public offering or via an acquisition of those securities by another issuer, including on a secondary basis. If the Funds purchase crypto tokens, or otherwise receive crypto tokens in connection with an investment, the ability to return capital to investors will be a function of the existence of secondary markets via which the Funds can convert crypto tokens into fiat currency. While the size and development stage of companies and projects into which the Funds may invest will vary, the Funds anticipate making a substantial portion of their investments in companies or projects that are in early, developmental stages. Whether those early-stage projects will ever develop into commercial projects that provide appreciation of the original investment is unknown.

## General Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

Investment model. A Fund in certain instances, will not be able to maintain sufficient reserves to support each company's necessary growth. In some such cases, it is expected that other Funds managed by the Adviser will participate in certain follow-on financing rounds. In addition, because neither the General Partner nor investing partner for any General Partner (each an "Investing Partner") intend to take board seats in seed-stage investments, they will not be able to sufficiently control, or be adequately informed of, such company's activities and corporate operations.

Reserves. As is customary in the industry, a General Partner may elect to establish reasonable reserves for follow-on investments by a Fund in portfolio companies, operating expenses, Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which directly tie to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities, or to protect its existing investments from dilutive or similar terms. If reserves are excessive, the Fund may have declined attractive investment opportunities on the basis of such reserves being held for other purposes for which they were never ultimately utilized.

Competition for investments. Each Fund will compete with other entities for the acquisition of investments. Such competition will come from groups such as institutional investors, investment managers, industrial groups, operating companies, merchant banks and other venture capital and private equity funds that have greater resources than such Fund and are owned by large and well-capitalized investors. There will be intense competition for investments of the type in which a Fund intends to invest, and such competition will result in less favorable investment terms than would otherwise be the case. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. It is possible that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in competitive bidding situations, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Participation in competitive bidding situations will also increase the pressure on the Funds with respect to pricing of a transaction. Moreover, the Funds may incur bid, due diligence or other costs on investments which may not be successful. As a result, the Funds may not recover all of

their costs, which would adversely affect returns. A Fund may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. There can, therefore, be no assurance that a Fund's investments will meet all the investment objectives of such Fund, or that such Fund will be able to invest all of its available capital.

Unspecified investments. The capital commitments received from investors are generally placed into a blind pool. Accordingly, an investor in a Fund must rely upon the ability of its General Partner in making investments consistent with such Fund's investment objectives and policies. An investor will not have the opportunity to individually evaluate the relevant economic, financial or other information that will be utilized by such General Partner in its selection of investments or otherwise approve of such investments. The General Partners of each fund, in their sole discretion, may cause the Funds to make investments in portfolio companies in which other affiliated or non-affiliated persons or funds are investing. General Partner personnel may form one or more investment vehicles to invest, in whole or in part, alongside the Funds. The economic and other terms and conditions of such other investment vehicles may be more beneficial than those offered to the investors in the Funds. An investor in a Fund is not being offered the opportunity to invest in any other such investment vehicle. Moreover, the investment guidelines set forth in each Fund's Advisory Agreement are subject to the good faith interpretation of the applicable General Partner and transactions within such objectives may be effected using a broad array of transaction types, structures and techniques. Notwithstanding the foregoing, in limited circumstances a General Partner may cause its Fund to purchase from an affiliated entity securities that were initially acquired ("warehoused" by such affiliated entity prior to the first closing of such Fund.

Issuer and Non-Issuer Transactions. The Funds will acquire their investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, a Fund will purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that a Fund must pay to acquire securities in a non-issuer transaction will exceed the price that it would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that a Fund will accede to same rights (e.g., information, voting, right of first refusal) as the selling shareholder.

Past performance is not indicative of future results. Past investment performance by the Investing Partners, whether in their individual or collective capacities, provides no assurance of future results. There can be no guarantee that competing investment firms will permit a Fund to co-invest in prospective portfolio companies, even if such investment firms historically allowed the Investing Partners to participate in such co-investments.

No assurance of investment return. Each Fund's task of identifying opportunities in private operating companies, managing such investments and realizing a significant return for investors is difficult. Many such organizations previously have been unable to make, manage, and realize such investments successfully. There is no assurance that a Fund

will be able to invest its capital on attractive terms or generate returns for its investors. There is no assurance that a Fund's investments will be profitable and there is a risk that a Fund's losses and expenses will exceed its income and gains. As such, there is no assurance of any distribution to investors prior to, or upon, liquidation of a Fund.

**Valuation of Securities.** Different methods of valuing securities provide materially different results. Actual realized returns on all unrealized investments will depend among other things on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. A Fund's investment program should be evaluated on the basis that there can be no assurance that its General Partner's assessment of the prospects of investments will prove accurate or that the Fund will achieve its investment objectives. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to an investor.

**Long-term & illiquid investment within the Funds.** An investment in a Fund is a long-term commitment. Interests in the Funds are highly illiquid and have no public market value. No secondary market for the interests exists, and no such market will be established or supported by the General Partners. Furthermore, the sale or transfer of interests is subject to approval of the General Partners and other restrictions contained in each relevant Advisory Agreement. Consequently, Limited Partners may not be able to liquidate an investment in the event of an emergency or for any other reason. Investments in the Funds are suitable only for persons and entities that have no need for liquidity with respect to their investment. The interests in the Funds have not been registered under the Securities Act of 1933, nor is any such registration contemplated.

**Lack of diversification.** Each Fund is subject to limited diversification requirements and will invest in a limited number of companies or regions. To the extent a Fund concentrates investments in a particular company, sector, or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company or region. As a consequence, the aggregate return of a Fund will be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries or regions in which such Funds has invested. In certain cases, a Fund may acquire majority or 100% interests in portfolio companies, which could further increase the vulnerability of such Fund's portfolio.

**Capital calls.** Capital calls will be issued by the General Partners from time to time in their discretion, based upon the General Partners' assessments of the needs and opportunities of the Funds. To satisfy such capital calls, Limited Partners may need to maintain a substantial portion of their commitment in assets that can be readily converted to cash. Except as may be specifically set forth in a Fund's Advisory Agreement, each Limited Partner's obligation to satisfy capital calls will be unconditional. A Limited Partner's obligation to satisfy capital calls will not, in any manner, be contingent upon the performance or prospects of the Funds or upon any assessment thereof provided by the

General Partners. Notwithstanding the foregoing, a General Partner will not be obligated to call 100% of the Limited Partner's commitment during a Fund's term.

Distributions in kind. It is possible that not all portfolio investments will be realized by the end of a Fund's term. Although the General Partners expect that investments will be disposed of prior to dissolution, or be suitable for in-kind distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In such cases, in the General Partners' sole and absolute discretion, there may be in-kind distributions by a Fund to its partners of illiquid securities or instruments, whereas during the term of a Fund, such Fund may make in-kind distributions of marketable securities.

There can be no assurance that Limited Partners will be able to dispose of such securities or instruments or that the fair market value of such securities or instruments determined by a Fund for purposes of the determination of distributions and the calculation of its General Partner's carried interest ultimately will be realized. In addition, if a Limited Partner receives distributions in kind of any portfolio investment from the Funds, it may incur additional costs and risks in connection with the disposition of such assets. Any such distribution could put downward pressure on the price of the issuer's securities. In connection with in-kind distributions, each Limited Partner will need to make a determination whether to hold shares or sell such shares in the public market. Members of the General Partner likewise have the option to sell shares received in connection with in-kind distributions, which has the potential to reduce the market price of such shares. The price at which a Limited Partner sells securities received in a distribution may be lower than the price at which securities are sold by members of the General Partner.

In certain instances, the General Partner may distribute Digital Assets in kind to members of the General Partner while distributing cash proceeds from the sale of Digital Assets to the Limited Partners. The value of such Digital Assets at the time of distribution may be higher than the sale price achieved by the General Partner. In other instances, Limited Partners may elect to receive in kind distribution of Digital Assets and will bear all market, custody, and related risks once such tokens have been distributed.

Recycling. Under certain circumstances and subject to certain conditions, and unless otherwise agreed by an Investor and a Fund's General Partner, proceeds distributable (or previously distributed) to the partners of a Fund that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by the General Partner or used (or recalled for use) by the General Partner for any other proper purpose. Furthermore, the General Partner is permitted to take into account the treatment of distributable proceeds for purposes of the foregoing reinvestment mechanics when determining how to structure a transaction and is incentivized to maximize the amount of capital that can be reinvested. Accordingly, an Investor may be required to fund for investments and expenses in an aggregate amount in excess of its capital commitment during the term of the Fund, and to the extent such recalled or retained

amounts are reinvested in investments, an Investor will remain subject to investment and other risks associated with such investments. The General Partner may be subject to conflicts of interest with respect to the foregoing determinations, and there can be no assurance that the General Partner will resolve such conflicts of interest in a manner that is favorable to the Investors or the Fund.

**Economic Conditions.** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect a Fund's investments and prospects materially and adversely. None of these conditions is within the control of the Investing Partners, and it will not always be able to effectively anticipate these developments. These factors will affect the volatility and the liquidity of a Fund's investments. Unexpected volatility or illiquidity could impair profitability or result in losses.

**Infectious Illness Risk.** A widespread outbreak of an infectious illness, such as the COVID-19 pandemic, may adversely affect the economies of many nations and the global economy and may impact individual issuers and capital markets in ways that cannot be foreseen. An infectious illness outbreak may result in travel restrictions, closed international borders, disruption of healthcare services, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, temporary and permanent closures of businesses, layoffs, defaults and other significant economic, social and political impacts, as well as general concern and uncertainty. An infectious illness outbreak may result in extreme volatility, severe losses, credit deterioration of issuers, and disruptions in markets, which could adversely impact a Fund and its investments. Certain local markets may be subject to closures. Additionally, an outbreak could impair the operations of the Fund's service providers, including the Adviser, which could adversely impact the Fund, and in certain instances, could result in the permanent loss of a Fund's Digital Asset private keys. Governmental and quasi-governmental authorities and regulators throughout the world may respond to an outbreak and any resulting economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy tools, and changes in interest rates. A reversal of these policies, or the ineffectiveness of such policies, is likely to increase market volatility, which could adversely affect a Fund's investments. An outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally, which could adversely affect a Fund and its investments. Despite the development of vaccines, the duration of the COVID-19 pandemic and its effects cannot be predicted with certainty.

**Financial Institution Risk; Distress Events.** An investment in a Fund is subject to the risk that one of the banks, brokers, hedging counterparties, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be



caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. If a Financial Institution experiences a Distress Event, the General Partner, the Fund or one of its portfolio companies may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, and the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets. Any Distress Event has a potentially adverse effect on the ability of the relevant General Partner to manage a Fund and its investments, and on the ability of the General Partner, the Fund and any portfolio company to maintain operations, which in each case could result in significant losses and in unconsummated investment acquisitions and dispositions. Funds and their portfolio companies are subject to similar risks if a Financial Institution utilized by investors in the Funds or by suppliers, vendors, service providers or other counterparties of the Funds or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on the Funds. Although the Adviser seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, the Adviser is under no obligation to use a minimum number of Financial Institutions with respect to Funds or to maintain account balances at or below the relevant insured amounts.

**Russia-Ukraine Conflict.** The ongoing military conflict between Russia and the Ukraine has rapidly disrupted global financial systems, trade and transport, and the economy generally. In response, many countries, including the United States, have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. It is impossible to predict the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition, and performance of the Funds or any particular industry, business, or investee country, and the duration and severity of those effects.

**Diverse investor group.** Investors have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests of individual investors relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest arise in connection with decisions

made by a Fund's General Partner, including with respect to the nature or structuring of investments that are more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the General Partner of such Fund will consider the investment and tax objectives of such Fund and the Fund partners as a whole, and not the investment, tax, or other objectives of any investor individually. The General Partners may form parallel funds for tax or other reasons, and the investment returns of the limited partners of any such parallel funds may differ from the investment returns of the Limited Partners of the Funds as a result of the structure of the acquisition and disposition of portfolio investments, the economic terms of such parallel funds or other similar reasons.

**Consequences of default.** If a Limited Partner fails to pay in full any requested capital contributions to the Funds, the General Partners may take certain actions which may result in a sale of such Limited Partner's interest in the Funds or a forfeiture of all or a portion of such Limited Partner's interest in the Funds. Additionally, the General Partners may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by such defaulting Limited Partner. The General Partners will be granted additional powers to deal with defaulting Limited Partners in the Advisory Agreements. If a Limited Partner fails to pay any of its capital commitment when due, and the capital contributions and unused capital commitments of non-defaulting Limited Partners are inadequate to cover the defaulted capital contribution, a Fund may be unable to pay its obligations when due. As a result, such Fund may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). In addition, the non-defaulting Limited Partners may be required to increase their contributions to the investment resulting in the defaulted capital contribution and in respect of subsequent Fund investments which, in turn, will reduce the degree of diversification of such Limited Partners' investment in such Fund and increase such Limited Partners' risk of loss.

**Conflicts.** The Funds will be subject to certain conflicts of interest arising out of relationships with General Partners and their respective affiliates, which will provide management services to the Funds. The agreements and arrangements among the Funds, the General Partners and their affiliates have been established by the General Partners and are not the result of arm's-length negotiations. Certain of the Adviser's personnel are currently subject to certain contractual, fiduciary or other obligations regarding the prior Adviser funds, to include their continuing to provide services to certain of such funds and their portfolio companies. While the General Partners believe that they will generally be able to resolve any conflicts on an equitable basis, it is possible that such conflicts will not be resolved in favor of the Funds, even where disinterested parties are consulted to review such conflicts.

**Independent Investment Vehicles.** Each Fund managed by the Adviser is raised as an independent investment vehicle. An investor in one Fund may not necessarily be an

investor in any other Fund. An investor who has elected to invest in multiple Funds may hold a different percentage interest in each. The General Partner's carried interest in one Fund will be determined without regard to the performance of any other Fund. Each Fund has a different investment objective and risk profile, and each prospective investor should consult with his, her or its personal legal, tax and financial advisers before determining the extent of such person's participation in each Fund.

**Voluntary withdrawals.** Voluntary withdrawals of investor interests are not permitted, except in limited instances when required or when necessary to comply with the laws or regulations applicable to an investor, including ERISA regulations. As a result, investors may not be able to liquidate their investments prior to the end of a Fund's term. A withdrawn investor may not be entitled to immediate payment for its interest in the Funds. Any withdrawal of an investor may reduce the amount of capital available for investment or other activities.

**Mandatory withdrawals.** A General Partner may, under certain circumstances, require an investor to withdraw from a Fund. If an investor is required to withdraw from a Fund or prevented from making any future capital contributions, such Fund may face a shortfall. If a Fund is unable to finance the shortfall from other sources, it is possible that such Fund may be required to limit the scope of its investments, or it may default on its obligations and/or its ability to continue operations may otherwise be impaired.

**Economic interest of General Partner.** Because the percentage of profits allocated to the General Partner will exceed the capital contribution percentage of the General Partner, and because certain net losses otherwise allocable to the General Partner will be specially allocated to all investors (up to the point that the investors' capital account balances reach zero), the General Partner have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the investors.

**Service providers.** The service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment banking firms) of the Funds, the General Partners, the Adviser or any of their respective affiliates may be investors in the Funds or sources of investment opportunities and co-investors or counterparties therein. This may influence the General Partners in deciding whether to select such a service provider or have other relationships with the Adviser.

**Conflicting fiduciary duties to other funds.** The Funds may purchase investments in which another investment vehicle affiliated with the General Partners already has an interest, or otherwise another such entity may purchase an investment in a portfolio company of the Funds and may do so at different points in time. As an advisor to both the Funds and such other affiliated entities, an Investing Partner may owe a fiduciary duty to the other entities as well as to the Funds.

Investments in which affiliated vehicles have a different principal investment. A Fund may also co-invest with other affiliated investment funds (including co-investment or other vehicles in which the Adviser or its personnel invest and that co-invest with such other affiliated investment funds) or accounts in investments that are suitable for both such Fund and such other affiliated entities. To the extent the Funds hold securities or instruments that are different (including with respect to their relative seniority or liquidation preferences) than those held by such other affiliated entities, the General Partners and their affiliates may be presented with decisions when the interests of multiple funds are in conflict. In that regard, actions may be taken for the other affiliated entities that are adverse to the Funds, and vice-versa.

Counterparty Risk. Some of the markets in which the Adviser may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such OTC transactions. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing such Fund to suffer a loss. The Adviser is not restricted from dealing with any particular counterparty or from concentrating any or all of the Fund’s transactions with one counterparty. The ability of a Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Fund.

Liquidation. If a Fund should become insolvent, the Limited Partners may be required to return with interest any property distributed that represented a return of capital, repay any distributions wrongfully made to them and forfeit any undistributed profits.

Investments with third parties. The Funds will co-invest with third parties, thereby acquiring non-controlling interests in certain portfolio companies. The Funds will not have control over these companies and, therefore, may have a limited ability to protect its position therein. Such portfolio investments may involve risks not present in portfolio investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such portfolio investment, may have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to a Fund’s investment objectives.

Investments longer than term. A Fund may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that such Fund will be dissolved, either by expiration of such Fund’s term or otherwise. Although each General Partner expects that investments will be disposed of prior to

dissolution or be suitable for in-kind distribution at dissolution and each General Partner has a limited ability to extend the term of its Fund, a Fund may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of a Fund its General Partner will be required to timely reduce to cash and cash equivalents such assets of such Fund as its General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur.

**Expedited transactions.** Investment analyses and decisions by a General Partner may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to such General Partner at the time of making an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. Therefore, no assurance can be given that the General Partner will have knowledge of all circumstances that may adversely affect an investment at the time the investment decision is made, and a Fund may make investments which it would not have made if more extensive due diligence had been undertaken.

**Material non-public information.** By reason of their responsibilities in connection with their other activities, the Adviser (or its employees) may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold.

**Advisory Committee approvals.** The Advisory Agreement of each Fund will contain certain protections for investors against conflicts of interest faced by its General Partner but will not purport to address all types of conflicts that may arise. Under the Advisory Agreement of each Fund, certain transactions that involve conflicts of interest between such Fund and its General Partner will be submitted to such Fund's advisory committee for resolution. However, the advisory committee will not necessarily represent the interests of all the Limited Partners and the members of the advisory committee may themselves be subject to various conflicts of interest (including as investors in other entities affiliated with a General Partner or its members). In general, the Limited Partners will not be entitled to control the selection of members of the advisory committee.

**Public disclosure.** Some of the interests in the Funds may be held by investors, such as public pension plans, public universities and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to the Funds or their portfolio companies results from interests in the Funds being held by public investors, the Funds may be adversely affected. The General Partners may, in order to

prevent any such potential disclosure, withhold information otherwise to be provided to such public investors. Conversely, potential future regulatory changes applicable to investment advisers or the accounts they advise could result in the General Partners or the Funds becoming subject to additional disclosure requirements.

Limited access to information. Investors' rights to information regarding the Funds will be specified, and strictly limited, in each Fund's Advisory Agreement. In particular, it is anticipated that the General Partners will obtain certain types of material information from portfolio investments that will not be disclosed to Limited Partners because such disclosure is prohibited for contractual, legal, fiduciary or similar obligations outside of the General Partners' control. Decisions by the General Partners to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, an investor that seeks to transfer its interests may have difficulty in determining an appropriate price for such interests. Decisions to withhold information also may make it difficult for investors to monitor the General Partners and their performance. Additionally, it is expected that investors who designate representatives to participate on the advisory committee may, by virtue of such participation, have more information about the Funds and portfolio investments in certain circumstances than other investors generally, and may be disseminated information in advance of communication to other investors generally.

Legal, tax & regulatory risks. Legal, tax, and regulatory changes could occur during the term of a Fund that will adversely affect such Fund, its portfolio companies, or the investors. A Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of a variety of countries. There can be no assurance that regulations promulgated in countries where the Funds invest will not adversely affect a Fund or its portfolio investments.

In particular, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of the Adviser and the Funds. The SEC has signaled an increased emphasis on investment adviser, private fund and digital currency regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Adviser and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds. Such regulations also have the potential to reduce available investment opportunities and/or negatively impact the value of fund investments.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the

asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or the Adviser who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for the Adviser to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Risks arising from provision of managerial assistance. A Fund may seek to structure its investments so that it will be a "venture capital operating company" within the meaning of regulations promulgated under ERISA, although there is no guarantee that it will be able to do so. This requires that such Fund obtain rights to participate substantially in and to influence the conduct of the management of a majority of such Fund's portfolio companies.

Dependence on the management team. Each Fund will be dependent on the activities of the management team and will be particularly dependent upon the individual "investing partners" of each fund ("Investing Partners"). The General Partner of each Fund will have sole discretion over the investment of the capital committed to such Fund, as well as the ultimate realization of any profits. The pool of capital in certain Funds represents a blind pool of funds. The Funds and their respective Limited Partners will be relying on the management expertise of the Investing Partners in identifying, acquiring, administering, and disposing of such Fund's investments. Past investment performance by the Investing Partners, whether in their individual or collective capacities, provides no assurance of future results. The loss of any of the Investing Partners could have a material, adverse effect on a Fund. Additional members may be admitted to the General Partner, either prior to or following a Fund's initial closing, and the Limited Partners will have no power to prevent any specific person from being admitted to the General Partner as a member thereof. If for any reason any of the Investing Partners should cease to be involved in the investment management of a Fund, suitable replacements may be difficult to obtain, with the result that the performance of such Fund may be adversely affected.

Limited prior management history. Certain Investing Partners have limited prior management history. Additional management resources, in the form of additional members of the operational services team or other investment professionals, will be required in order for a Fund to fully implement its investment and exit strategies, and there is no guarantee that the firm will be able to recruit and retain such additional professionals.

Other activities. The Investing Partners will devote only such portion of their time to the affairs of a Fund as they consider appropriate in their respective judgment to manage effectively the affairs of such Fund. Other activities of the Investing Partners, such as serving on the board of directors of companies unrelated to a Fund, require them to devote substantial amounts of their time to matters unrelated to the business of such Fund.

Indemnification. Each Fund has indemnified its General Partner, its partners, members, employees, agents, affiliates of the foregoing and the members of its advisory committee for liabilities incurred in connection with the affairs of such Fund. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. For example, in their capacity as directors of portfolio companies, a person may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of a Fund would be payable from the assets of such Fund, including the unpaid capital commitments of the Limited Partners. If the assets of a Fund are insufficient, the General Partner may recall distributions made to the Limited Partners of such Fund.

CFIUS and National Security Clearance Considerations. Certain investments by the Funds are expected to involve investments in U.S. businesses connected with or related to national security, critical technology, critical infrastructure or sensitive personal data may be subject to review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the Fund. As a general matter, investments in companies concentrated in the technology and infrastructure industries are considered "sensitive" for CFIUS purposes, and many investments by foreign government-controlled investors (including, in some cases, foreign government-controlled co-investors) either warrant, or legally require, pre-closing filings to CFIUS. In the event that CFIUS or another regulator reviews one or more of a Fund's proposed or existing investments, there can be no assurances that the Fund or a portfolio investment will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another regulator may seek to impose limitations on or prohibit one or more of a Fund's or a portfolio investment's investments. Such limitations or restrictions may prevent the Fund or a portfolio investment from maintaining or pursuing investments, which could adversely affect the Fund's or such portfolio investment's performance with respect to such investments (if consummated) and thus the Fund's performance as a whole. In addition, certain of the Limited Partners or investors of a portfolio investment are expected to be non-U.S. investors, and in the aggregate, are expected to comprise a substantial portion of the Fund's or such portfolio investment's aggregate capital commitments, as applicable, which increases both the risk that investments may be subject to review by CFIUS, and the risk that limitations or restrictions will be imposed by CFIUS or other non-U.S. regulators on the Fund's investments. If an investment is reviewed by CFIUS, there can be no assurance CFIUS



will allow the Fund to maintain, or proceed with, such investment. Moreover, a Fund may invest indirectly through portfolio investments in portfolio companies that have previously taken capital from, or may in the future take capital from, investors that are considered “foreign” for CFIUS purposes. In some cases, notifications to CFIUS in connection with such investments may be mandatory, and failure to make a notification, historically or prospectively, may result in the imposition of fines or penalties on the investor and the portfolio company. In the event that CFIUS reviews such investors’ investments in portfolio companies, CFIUS may impose limitations or restrictions on the investors or the companies that may adversely impact such companies’ performance and thus the performance of the Fund. CFIUS is also reaching out more frequently on so-called “non-notified” investments, and the likelihood of receiving such an inquiry on an investment in a technology or infrastructure company is typically elevated, particularly if such company has taken funding from foreign persons previously. Finally, non-U.S. national security regulators are increasingly interested in reviewing investments in infrastructure assets, and in certain cases condition approval and/or restrict or prohibit transactions, depending on the identity of the buyer and the nature of the asset. Heightened scrutiny of foreign investment in companies by CFIUS and similar non-U.S. national security regulators may constrain the universe of suitable buyers for a portfolio company and thus may limit the ability of a portfolio investment to successfully exit investments.

### Portfolio Company Risks

Early-stage technology investments. Certain Funds managed by the Adviser will invest primarily in private, early-stage technology companies. These companies typically have no revenues and are not profitable. They require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital will not be available at all, or on acceptable terms. Further, the technologies and markets of such companies will not develop as anticipated, even after substantial expenditures of capital. Such companies will face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. It is expected that for seed investments, Funds will not initially be represented on the company’s board of directors by an Investing Partner. Each portfolio company will be managed by its own officers (who generally will not be affiliated with the Funds or the General Partners).

Later-stage technology investments. The Funds invest in private, later-stage technology companies, and certain Funds will also have significant exposure to private, later-stage technology companies. These companies typically have modest revenues and may or may not be profitable. Many will require additional capital, at high valuations, to develop

technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms.

Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although a Fund may be represented by a member of the General Partner on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Fund or the General Partner). Portfolio companies will have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Reliance on portfolio company management team. Each portfolio company's day-to-day operations will be the responsibility of such a company's management team. Although the General Partners and the Adviser will be responsible for monitoring the performance of each investment by the Funds, and the Funds will seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with the Funds' plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Funds may be adversely affected thereby. Instances of fraud and other deceptive practices committed by the management team of portfolio companies in which the Funds have an investment may undermine the General Partners' due diligence efforts with respect to such companies. If such fraud is discovered, it could adversely affect the valuation of the Funds' investments and may contribute to overall market volatility that can negatively impact the Funds' investment portfolio.

Investment in Companies Dependent Upon New Scientific Developments and Technologies. Certain Funds focus their investing principally in the information technology space where the primary proprietary technologies of these companies will be software and biology. The value of these Funds' interests is susceptible to factors affecting such companies. The specific risks faced by such companies include:

- rapidly changing biotechnology science and software technologies;
- exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;

- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to intellectual property rights or privacy; and
- changing investor sentiments and preferences with regard to the biotechnology sector investments, which are often perceived as risky.

**Legal and Regulatory Risks in Portfolio Companies.** Legal and regulatory changes could occur during the term of a Fund. The products and services of portfolio companies and some Fund assets are subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products and services developed by a Fund's portfolio companies will ever be approved by such governmental authorities, if such approval is required. There may be instances when the discovery of previously unknown problems with a product, service, manufacturer or facility could result in restrictions on the use or the manufacture of such product or delivery of such service, including costly recalls or even withdrawal of the product or service from the market. Such events, whether voluntarily or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product or service worldwide. If such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular portfolio company and could have a material adverse effect on the aggregate performance of such Fund.

**Availability of investment capital.** Early-stage investments often require several rounds of capital infusions before the portfolio company reaches maturity. If an investor does not have funds available to participate in subsequent rounds of financing, that shortfall will have a significant negative impact on both the portfolio company and the face value of the investor's original investment. Funds have been established to invest in a significant number of early-stage and late-stage companies, and it is likely that such Funds will not have sufficient liquidity to allow each to participate in follow-on rounds of financings of many of its portfolio companies. As a result, the Funds do not intend to provide all necessary follow-on financing. Accordingly, third-party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to a Fund. Furthermore, each Fund's capital is limited and will not always be adequate to protect its investments from dilution in multiple rounds of portfolio company financing.

**Lack of liquidity within investment portfolio.** Certain Funds' investment portfolios will consist primarily of investments in early-stage and later-stage private companies. The marketability and value of each such investment will depend upon many factors beyond the control of each such Fund's General Partner. Generally, the investments made by a Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of investment, a portfolio company may lack one or more key attributes (*e.g.*, proven technology, marketable product, complete

management team, or strategic alliances) necessary for success. There may be no readily available market for a Fund's investments, many of which will be difficult to value, and the disposal of a portfolio investment may be prohibited or delayed many years from the date of initial investment for legal and/or regulatory reasons. The public market for high technology and other emerging growth companies is extremely volatile. Such volatility will adversely affect the development of portfolio companies, the ability to dispose of investments, and the value of investment securities on the date of sale or distribution.

Risks of certain dispositions. In connection with the disposition of an investment in a portfolio company or otherwise, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It will also be required in certain instances to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts. In that regard, under certain circumstances described in such Fund's Advisory Agreement, the General Partner of such Fund will make distributions of cash or securities to the Fund partners that remain subject to recall for the payment (in whole or in part) of such contingent liabilities. These arrangements will result in contingent liabilities, which might ultimately have to be funded by such Fund.

In-Kind Distributions. Certain investments are distributed in-kind to the limited partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners, particularly in times of market volatility. After a distribution of securities is made to each Fund's limited partners, many partners, including the Adviser's personnel, are permitted to (and in periods of market volatility and/or in furtherance of personal financial objectives often will) liquidate such securities within a short period of time, which is likely to have an adverse impact on the price of such securities. In certain instances, the price at which such securities may be sold by limited partners will be lower than the last reported value of such securities determined pursuant to the Advisory Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment, and/or the price at which securities are sold by the Adviser's personnel. Adviser personnel that receive portfolio company securities will be subject to conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Adviser), and are incentivized to sell or retain such securities for a period consistent with their own financial and investment objectives, which have the potential to differ from those of the relevant Fund and/or limited partners. In certain instances, Adviser personnel sell portfolio company securities they own personally (acquired separate from any affiliation with the Adviser or Adviser funds or otherwise), prior to an in-kind distribution of such portfolio company's securities to limited partners. Such sales have the potential to have an adverse impact on the price of these securities.

Non-controlling investments. A Fund may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. There can be no assurance that protection for a Fund through special minority shareholder rights will be available. Furthermore, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

Due diligence risks. Before making investments, the General Partner of a Fund intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, such General Partner will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process will at times be subjective with respect to newly organized companies for which only limited information is available. Accordingly, there can be no assurance that the due diligence investigation that such General Partner will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Further, there can be no assurance that such an investigation will result in an investment being successful.

Securities Laws Restrictions on Trading. Certain members, officers, employees or other representatives of the General Partner or the Adviser or other affiliates of a Fund serve as directors of certain portfolio companies. As a result, Funds (through representatives or otherwise) will receive or be deemed to receive information that would restrict their ability to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which will adversely affect its ability to buy, sell or distribute securities. In addition, the ability to execute trades in securities of these companies will also be restricted by securities laws, including but not limited to Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 144 promulgated under the Securities Act of 1933, as a result of the board participation or extent of ownership of the Funds and affiliated persons.

Equity Investments. A Fund's equity investments involve substantial risks and are subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which a Fund may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, investing in common stocks may be subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

Lack of Operating History of Investee Companies. The Funds expect to invest in companies that have relatively limited operating histories. Generally, very little public information exists about these companies, and the Funds will rely on the ability of the Adviser to obtain adequate information to evaluate the potential returns. If the Adviser is unable to uncover all material information about these companies, a Fund may not make a fully informed investment decision and may lose money on its investment. These companies are particularly vulnerable to U.S. and foreign economic downturns such as the recent recession and may have limited access to capital. These businesses also frequently have less diverse product lines and a smaller market presence than larger competitors and will experience substantial variations in operating results. They will face intense competition, including from companies with greater financial, technical, operational and marketing resources, and typically depend upon the expertise and experience of a single individual executive or a small management team. The Funds' success depends, in large part, upon the abilities of the key management personnel of such companies, who are responsible for the day-to-day operations. Competition for qualified personnel is intense at any stage of a company's development. The loss of one or more key managers can hinder or delay a company's implementation of its business plan and harm its financial condition. Companies may not be able to attract and retain qualified managers and personnel. In addition, companies will compete with each other for investment or business opportunities and the success of one could negatively impact the other. Furthermore, many companies do business in regulated industries and could be affected by changes in government regulation. Accordingly, these factors could impair their cash flow or result in other events, such as bankruptcy, which could limit their ability to repay their obligations, and may materially and adversely affect the return on, or the recovery of, the Fund's investment. As a result, a Fund may lose its entire investment in any or all of the companies in which it invests.

Economic Risks of Investee Companies. The business and operating results of companies in which the Funds invest may be impacted by worldwide economic conditions. Any conflict or uncertainty, including due to natural disasters, public health concerns, political unrest or safety concerns, could harm their financial condition and results of operations and cash flows. In addition, if the government of any country in which products are developed, manufactured or sold sets technical or regulatory standards for products developed or manufactured in or imported into their country that are not widely shared, it may lead some of their customers to suspend imports of their products into that country, require manufacturers or developers in that country to manufacture or develop products with different technical or regulatory standards and disrupt cross-border manufacturing, marketing or business relationships which, in each case, could harm the business of investee companies. In addition, such companies may be susceptible to economic slowdowns or recessions. The United States and other developed economies have recently begun to experience higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the United States and other developed economies will sustain over an extended period of time or have a significant effect on the United States or other economies. Inflation and rapid fluctuations in inflation rates have

in the past and may in the future negatively affect economies and financial markets. For example, if a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but may incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that continued and more wide-spread inflation in the United States and/or other economies will not become a serious problem in the future and have a material adverse impact on the Fund's returns.

**Failure of an Investee Company.** Although the companies in which the Funds invest are carefully selected by the Adviser, it is possible that a Fund may lose all or a portion of its investment in such companies. No assurance can be given that the failure of one or more of such companies will not have a material adverse effect on the Fund's overall performance.

**Cybersecurity Risks.** Cybersecurity incidents, cyber-attacks, denial of service attacks, ransomware attacks, and social engineering attempts (including business email compromise attacks) have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency. There have been a number of recent highly publicized cases involving the dissemination, theft, and destruction of corporate information or other assets, as a result of a failure to follow procedures by employees or contractors, or as a result of actions by a variety of third parties, including nation state actors and terrorist or criminal organizations. A Fund, portfolio companies, their service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions, and their operations rely on the secure processing, storage, and transmission of confidential data and other information in their systems and those of their respective third-party service providers. These information, technology, and communications systems are subject to a number of different threats or risks that could adversely affect the Adviser, the Fund, portfolio companies, and the Limited Partners. For example, the information and technology systems of the Adviser, the Funds, portfolio companies, and other related parties, such as service providers, may be vulnerable to damage or interruption from cybersecurity breaches; computer viruses or other malicious code; ransomware attacks; network failures; computer and digital infrastructure failures; infiltration by unauthorized persons and other security breaches; usage errors by their respective professionals or service providers; power outages; or catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes, wars, and terrorist attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users

of the Adviser's, the Funds', portfolio companies', or their respective service providers' systems to disclose sensitive information in order to gain access to the Adviser's, the Funds', or portfolio companies' data, or that of the Limited Partners. There also have been several publicized cases where hackers have requested ransom payments in exchange for not disclosing client or customer information or restoring access to digital infrastructure, pipelines, and other infrastructure assets. The U.S. federal government has issued public warnings that indicate that companies in industries that a Fund might invest in could be specific targets of "cyber sabotage" events, which illustrates the particularly heightened risk for a Fund and its portfolio companies from such events. If unauthorized parties gain access to any information and technology systems the Adviser, the Funds, portfolio companies, or certain service providers, they may be able to steal, publish, delete, or modify private and sensitive information, including non-public personal information related to Limited Partners (and their beneficial owners) and material non-public information. The Adviser does not control the cybersecurity plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to Adviser, the Funds, and portfolio companies, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, its affiliates', the Funds', and a portfolio company's operations, and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to Limited Partners (and their beneficial owners), material non-public information, and the intellectual property and trade secrets and other sensitive information in the possession of the Adviser and portfolio companies.

Risks associated with non-U.S. investments. The Funds are permitted to invest a portion of capital outside of the United States. To the extent the Funds invest in companies organized or with substantial operations outside the United States, those investments will be subject to risks associated with foreign investments. These risks include, but are not limited to, (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including differences in rules and regulations, potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, political hostility to investments by foreign or private equity investors, the risks of political, economic or social



instability and the possibility of expropriation or confiscatory taxation or other changes in law; (v) differences between U.S. and foreign market contract terms (*e.g.*, foreign contracts do not typically include many of the closing conditions that are commonly found in U.S. contracts) and conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities, including as a result of the loss of tax treaty benefits that were expected at the time of investment; (vii) less developed corporate laws regarding fiduciary duties and the protection of investors; and (viii) less publicly available information. No assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Funds. In addition, certain of the aforementioned risks may be increased with respect to any investments by the Funds in developing and emerging markets.

Public Company Holdings. Certain Funds' investment portfolio are expected to contain equity securities and/or debt issued by publicly held companies. Such investments subject that Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, limited governance rights and increased costs associated with each of the aforementioned risks.

### Digital Asset Risks

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for certain Funds invested in Digital Assets, include the following:

Digital Asset Investments. Digital Assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices have been extremely volatile. Digital Asset exchanges have been closed due to fraud, failure or security breaches. Any of a Fund's funds that reside on an exchange that shuts down may be lost. Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, overall market sentiment or future regulatory measures that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will continue to grow. In addition, Digital Assets are a relatively recent technological innovation. Bitcoin is widely considered to be the first popular crypto asset

and was invented in 2009. Other crypto assets in which the Funds may invest were created after Bitcoin and, in certain cases, may not be in existence as of the date of this Brochure. This limited operating and trading history limits the General Partner's ability to evaluate the investment opportunity of a Digital Asset and limits the ability of Limited Partners to evaluate an investment in the Funds.

**Hedging Transactions.** The Adviser will not, in general, attempt to hedge all market or other risks inherent in such Fund's portfolio positions, and will hedge certain risks, if at all, only partially. A Fund may choose not, or may determine that it is economically unattractive, to hedge certain risks – either in respect of particular positions or in respect of its overall portfolio. A Fund's portfolio composition will commonly result in various directional market risks remaining unhedged. Even if the Adviser is successful in reducing or controlling risk through hedging, the cost of hedging may have the effect of reducing returns. Furthermore, it is possible that such 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.

**Lack of Diversification.** The Funds have no diversification policies with respect to Digital Assets and may concentrate investments in particular types of positions. The investment risk of a portfolio that is concentrated in particular positions is greater than if the portfolio is invested in a more diversified manner. Although the Funds will structure their portfolios so that investments (both individually and in the aggregate) have desirable risk/reward characteristics, the Funds are not subject to any restrictions. Each Fund will have a non-diversified portfolio, with all of such Fund's assets invested in Digital Assets and/or in the securities or other financial instruments of companies in Digital Asset-related industries. Such lack of diversification substantially increases the risk of loss associated with an investment in a Fund.

**Digital Asset Trading is Volatile and Speculative.** Digital Assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, Digital Assets have not been widely adopted as means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for Digital Assets is generated by speculators and investors seeking to profit from the short- or long-term holding of Digital Assets. The relative lack of acceptance of Digital Assets in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with Digital Assets. A lack of expansion by Digital Assets into retail and commercial markets, or a contraction of such use, may result in increased volatility.

**Custody of the Funds' Digital Assets.** The General Partner of a fund will be responsible for arranging for custody of such Fund's Digital Assets, including by storage in one or more "cold wallets" and/or on various Digital Asset exchanges. In certain instances, an issuer will hold a Fund's Digital Assets following network launch for a period of time prior to engagement of a third-party custodian or implementation of a self-custody solution for

such assets. Digital Asset exchanges may require the General Partner to provide control of applicable private keys when such exchanges are utilized by a Fund. The Adviser will take such steps as it determines are necessary to maintain access to these keys and to prevent their exposure to hacking, malware and general security threats, but there can be no assurance that such steps will be adequate to protect such keys or a Fund's Digital Assets from such threats or that there will be no failure or penetration of the applicable security systems. There also can be no assurance that, to the extent the Funds utilize third-party custodial services, such third parties maintain required certifications with the SEC or other regulatory agencies, the loss of which could cause such custodians to not be deemed qualified custodians by various regulatory agencies.

**Risk of Loss of Private Keys.** Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and any such private key would not be capable of being restored by a Fund. Any loss of private keys relating to digital wallets used to store a Fund's Digital Assets could result in the loss of such Digital Assets, and a limited partner could incur substantial, or even total, loss of capital.

**Risk of Loss due to Incapacitation of Key Personnel.** Certain key personnel of the Funds' teams will be the sole individuals in possession of the unique private keys required to access the Digital Assets held by certain Funds. The simultaneous incapacitation of such individuals would likely result in the loss of the private keys and, consequently, the loss of the Digital Assets held by each Fund. Although the Adviser and General Partner of each Fund holding Digital Assets will have a disaster recovery plan in place, there is a risk of such a plan failing. In the event of both incapacitation of the individuals who hold such private keys and failure of the Fund's disaster recovery plan, a limited partner could incur substantial, or even total, loss of capital.

**Irreversibility of Transactions and Risk of Unauthorized or Erroneous Use.** The distributed ledger used to keep track of ownership and transfers of cryptocurrency does not allow for central control by any person or entity. As a result, all transactions, even erroneous or unauthorized ones, are irreversible. Although the third-party wallet providers and exchanges used by the Funds may implement state of the art online security measures, an unauthorized person could gain control of a Fund's or its counterparties' cryptocurrency or other cryptocurrency wallets and issue unauthorized payments. While the Funds will use reasonable security measures including but not limited to controlling access to the Funds' cryptocurrency and other accounts via the use of multi-factor-authentication tokens, there is no guarantee that the General Partner's computers or home or office networks cannot be hacked, thus leading to a compromise of secret passwords and account access information. In the case of unauthorized transfer of cryptocurrencies or other cryptocurrency, the stolen cryptocurrencies may never be recovered. Even though the wallet address to which the stolen cryptocurrencies were transferred to by the perpetrator will be visible, as all transactions on the cryptocurrency

blockchain are publicly visible, the identity of the perpetrator may never be found. The perpetrator may be able to then transact with the stolen cryptocurrencies and exchange them for goods, services, fiat currency, or other cryptocurrencies, in which case tracking the stolen cryptocurrencies may lead to a legitimate person or entity who purchased them unaware of their illegitimate origin, wherein the valuables exchanged for the stolen cryptocurrencies may no longer be traceable or within reach of law enforcement, yet remain in control of the perpetrator. Similarly, the irreversible nature of the transactions in cryptocurrencies means that an erroneous payment made may not be reversed and the receiving party may not be reachable or influenced to issue a new payment to overturn the erroneous one. The Funds may be adversely affected by such an unauthorized or erroneous transaction via a wallet it owns directly, or via its exposure to another counterparty such as a cryptocurrency exchange, wherein the latter may be affected by an unauthorized or erroneous transaction leading to losses.

**Technology and Security.** As indicated above, any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could result in the halting of a Fund's operations or a loss of Fund assets. Furthermore, each Fund must adapt to technological change in order to secure and safeguard client accounts. While the Adviser intends to develop an appropriate security system reasonably designed to safeguard each Fund's Digital Assets from theft, loss, destruction or other issues relating to hackers and technological attack, there can be no assurance that any such solution will provide sufficient security. As technological change occurs, the security threats to each Fund's Digital Assets will likely adapt and previously unknown threats may emerge. Furthermore, the General Partner of each Fund believes that each Fund may become a more appealing target of security threats as the size of such Fund's assets grows. To the extent that a Fund is unable to identify and mitigate or stop new security threats, such Fund's Digital Assets may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of such Fund or result in loss of such Fund's assets.

**Digital Asset Exchanges.** The Digital Asset exchanges on which Digital Assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, Digital Asset exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase Digital Assets, and no assurance can be given that those deposit funds can be recovered.

Additionally, upon sale of Digital Assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Assets from a personal account to a third-party's account. The Funds will take credit risk of an exchange every time it transacts.

Digital asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of Digital Assets for fiat currency difficult or impossible. Additionally, Digital Asset prices and valuations on Digital Asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of Digital Assets remain subject to any volatility experienced by Digital Asset exchanges, and any such volatility can adversely affect an investment in the Funds.

Digital Asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Digital Asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft (*e.g.*, Mt. Gox voluntarily shutting down because it was unable to account for over 850,000 Bitcoin), government or regulatory involvement, failure or security breaches (*e.g.*, the voluntary temporary suspensions by Mt. Gox of cash withdrawals due to distributed denial of service attacks by malware and/or hackers), or banking issues (*e.g.*, the loss of Tradehill's banking privileges at Internet Archive Federal Credit Union).

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the Funds to recover money or Digital Assets being held by the exchange, or to pay investors upon redemption. Further, the Funds may be unable to recover Digital Assets awaiting transmission into or out of the Funds, all of which could adversely affect an investment in the Funds. Additionally, to the extent that the Digital Asset exchanges representing a substantial portion of the volume in Digital Asset trading are involved in fraud or experience security failures or other operational issues, such Digital Asset exchanges' failures may result in loss or less favorable prices of Digital Assets, or may adversely affect the Funds, its operations and investments, or the Investors.

Trading on Digital Asset Networks. Each Fund will convert U.S. dollar contributions made by limited partners to Digital Assets over specific networks, as applicable. Each Fund may use certain Digital Assets to purchase other Digital Assets. Many Digital Asset networks are online end-user-to-end-user networks that host a public transaction ledger, known as the blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many Digital Asset transactions, the recipient of the Digital Asset must provide its public key, which serves as an address for a digital wallet, to the party initiating the transfer. In the data packets distributed from Digital Asset software programs to confirm transaction activity, each Digital Asset use must "sign" transactions with a data code derived from entering the private key into a "hashing algorithm," which signature serves as validation that the transaction has been authorized by the owner of such Digital Asset. This process is vulnerable to hacking and malware and could lead to theft of a Fund's digital wallets and the loss of such Fund's

Digital Assets. Many Digital Asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such Digital Asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such Digital Asset exchanges.

Intellectual Property Rights Claims May Adversely Affect the Operation of Digital Asset Networks. Third parties may assert intellectual property claims relating to the operation of various Digital Assets and their source codes 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 Asset's long-term viability or the ability of end-users to hold Digital Assets may adversely affect an investment in a Fund. Additionally, a meritorious intellectual property claim could prevent a Fund and other end-users from accessing a Digital Asset network or holding or transferring their Digital Assets, which could force such Fund to terminate and liquidate such Fund's Digital Assets (if such liquidation of such Fund's Digital Assets is possible). As a result, an intellectual property claim against a Fund could adversely affect an investment in such Fund.

Stolen or Incorrectly Transferred Digital Assets May Be Irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of Digital Assets or a theft of Digital Assets generally will not be reversible and a Fund may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, a Fund's Digital Assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that a Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received such Fund's Digital Assets through error or theft, such Fund will be unable to revert or otherwise recover incorrectly transferred Digital Assets. To the extent a Fund is unable to seek redress for such error or theft, such loss could adversely affect an investment in such Fund.

Risks of Flawed or Ineffective Source Code. If the source code or cryptography underlying a digital currency held by a Fund proves to be flawed or ineffective, malicious actors may be able to steal the Fund's Digital Assets. In the past, flaws in the source code for digital currencies have been exposed and exploited. Several errors and defects have been publicly found and corrected, including those that disabled some functionality for users and exposed users' personal information. Discovery of flaws in, or exploitations of, the source code that allow malicious actors to take or create money in contravention of known network rules have occurred. In addition, the cryptography underlying a digital currency could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, if a Fund holds the affected digital currency, a malicious actor may be able to steal the Fund's Digital Assets, which would adversely affect an investment in the Fund. Even if the Fund did not hold the affected digital currency, any reduction in

confidence in the source code or cryptography underlying digital currencies generally could negatively affect the demand for digital currencies and therefore adversely affect an investment in the Fund.

**Risk to Digital Asset Networks from Malicious Actors.** If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on certain Digital Asset networks, it may be able to alter the blockchain on which the Digital Asset transaction relies by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the Digital Asset network can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new Digital Assets or transactions using such control. Using alternate blocks, the malicious actor could double-spend its own Digital Assets and prevent the confirmation of other users' transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power on various Digital Asset networks or the Digital Asset community does not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Such changes could adversely affect an investment in a Fund or the ability of such Fund to transact.

**Risk of Blockchain "Fork".** A temporary or permanent blockchain "fork" could adversely affect an investment. Some digital currencies, including Bitcoin and Ether, are open source, meaning that any user can download the software, modify it and then propose that the users and miners of the currency adopt the modification. When a modification is introduced and a substantial majority of users and miners consent to the modification, the change is implemented and the network remains uninterrupted. However, if less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as "fork" of the network, with one prong running the premodified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the digital currency running in parallel, yet lacking interchangeability.

Forks may occur after a significant security breach. In June of 2016, a smart contract using the Ethereum network was hacked, which resulted in most participants in the Ethereum ecosystem electing to adopt a "hard fork" that effectively reversed the hack. However, a minority of users continued to develop the old blockchain, now referred to as "Ethereum Classic" with the digital currency on that blockchain now referred to as Classic Ether, or ETC. Classic Ether remains traded on several digital currency exchanges.

Additionally, a fork could be introduced by an unintentional, unanticipated software flaw in the multiple versions of otherwise compatible software users run. Such a fork could adversely affect the digital currency's viability. It is possible, however, that a substantial number of users and miners could adopt an incompatible version of the currency while

resisting community-led efforts to merge the two chains. This would result in a permanent fork, as in the case of Ether and Classic Ether. If a permanent fork were to occur, then a Fund could hold amounts of both the original digital currency and the new alternative.

Furthermore, a hard fork can introduce new security risks. For example, when Ether/Classic Ether split in July 2016, replay attacks, in which transactions from one network were rebroadcast to nefarious effect on the other network, plagued Ethereum exchanges through at least October 2016. An Ethereum exchange announced in July 2016 that it had lost 40,000 Classic Ether, which was worth about \$100,000 at that time, as a result of replay attacks. Another possible result of a hard fork is an inherent decrease in the level of security. After a hard fork, it may become easier for an individual miner or mining pool's hashing power to exceed 50% of the processing power of the digital currency network, thereby making digital currencies that rely on proof of work more susceptible to attack.

Additionally, it may be unclear following a fork which fork represents the original asset and which is the new asset. Different metrics adopted by industry participants to determine which is the original asset include: wishes of the core developers of a digital currency, the blockchain with the greatest amount of hashing power contributed by miners or validators, or the blockchain with the longest chain. To the extent that a Fund must decide which fork is a continuation of an original asset and which is a new asset, the Fund will not look to any one factor as being dispositive and instead will seek to determine which asset is generally accepted as being the continuation of the original asset by looking at a number of factors, including those listed above, the actions of market participants, discussions on relevant forums, and the relevant spot and futures prices of the assets, among other factors.

A fork in the network of a particular digital currency could adversely affect an investment in a Fund or the ability of the Fund to operate.

Inability to Realize Benefits of Hard Forks or "Air Drops". A Fund may not be able to realize the economic benefit of a hard fork or "air drop," either immediately or ever, which could adversely affect an investment. If the Fund holds a Digital Asset at the time of a hard fork into two Digital Assets, it would be expected to hold an equivalent amount of the old and new assets following the hard fork. However, the Fund may not be able, or it may not be practical, to secure or realize the economic benefit of the new asset for various reasons. For instance, a custodian or security service provider may not agree to provide the Fund access to the new asset. In addition, the Fund may determine that there is no safe or practical way to custody the new asset, or that trying to do so may pose an unacceptable risk to the Fund's holdings in the old asset, or that the costs of taking possession and/or maintaining ownership of the new digital currency exceed the benefits of owning the new digital currency.

Additionally, laws, regulation or other factors may prevent a Fund from benefiting from the new asset even if there is a safe and practical way to custody and secure the new



asset. For example, it may be illegal for the Fund to sell the new asset, or there may not be a suitable market into which the Fund can sell the new asset (either immediately after the fork or ever).

In addition, a Digital Asset held by a Fund may become subject to a similar occurrence known as an "air drop." In an air drop, the promoters of a new digital currency announce to holders of another digital currency that they will be entitled to claim a certain amount of the new digital currency for free. For example, in March 2017, the promoters of Stellar Lumens announced that anyone that owned Bitcoin as of June 26, 2017, could claim, until August 27, 2017, a certain amount of Stellar Lumens. For the same reasons as described above with respect to hard forks, a Fund may or may not choose, or be able, to participate in an air drop, or may or may not be able to realize the economic benefits of holding the new Digital Asset. The timing of any such occurrence is uncertain and a Fund's participation would be subject to the discretion of the Adviser. Any inability to recognize the economic benefit of a hard fork or an air drop could adversely affect an investment.

**Risks of Internet Disruptions.** A disruption of the internet may affect the use of digital currencies and subsequently the value of an investor's interest. Many digital currencies are dependent upon the internet. A significant disruption in internet connectivity could disrupt a currency's network operations until the disruption is resolved and have an adverse effect on the price of digital currencies. In particular, some variants of digital currency have been subjected to a number of denial-of-service attacks, which have led to temporary delays in block creation and in the transfer of the currency. While in certain cases in response to an attack, an additional "hard fork" has been introduced to increase the cost of certain network functions, the relevant network has continued to be the subject of additional attacks. Moreover, it is possible that as digital currencies increase in value, they may become more attractive targets for hackers and subject to more frequent hacking and denial-of-service attacks.

Digital currencies are also susceptible to border gateway protocol hijacking, or BGP hijacking. Such an attack can be a very effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes and miners are connected to one another to isolate portions of them from the remainder of the network, which could lead to a risk of the network allowing double-spending and other security issues. If BGP hijacking occurs on a digital currency network, participants may lose faith in the security of digital currencies, which could affect the value of those digital currencies and consequently the value of an investment.

Any future attacks that affect the ability to transfer the digital currency could have a material adverse effect on the price of the currency and the value of an investment.

**Risks of Open-Source Structure.** The open-source structure of many of the digital currency network protocols means that certain core developers and other contributors may not be directly compensated for their contributions in maintaining and developing

the network protocol. A failure to properly monitor and upgrade network protocol could damage the digital currency networks. Certain digital currency networks operate based on open-source protocol maintained by the groups of core developers. As these network protocols are not sold and their use does not generate revenue for development teams, core developers may not be directly compensated for maintaining and updating the network protocols. Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the networks. There can be no guarantee that developer support will continue or be sufficient in the future. Additionally, some development and developers are funded by companies whose interests may be at odds with other participants in the network or with investors' interests. To the extent that material issues arise with certain digital currency network protocols and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, the digital currency networks and an investment in a Fund may be adversely affected.

**Nascent Development of Smart Contracts.** The nascent nature of smart contract development may magnify initial problems, increase volatility and reduce interest in smart contracts, which could have an adverse impact on the value of Ether or other digital currencies. Smart contracts are computer protocols that facilitate the negotiation or performance of a contract and have only very recently been implemented. Since smart contracts typically cannot be stopped or reversed, bugs in their programming can have catastrophic effects. For example, a bug in the smart contracts underlying the DAO, a distributed autonomous organization for venture capital funding, allowed an attack by a hacker who drained \$50 million from its accounts. The theft was reversed only by the developers making a "hard fork" of Ethereum. See "Risk of a Blockchain 'Fork'" above. Nevertheless, the price of Ether dropped 35% because of the attack and also the fork. In addition, in July 2017, a vulnerability in a smart contract for a multi-signature wallet software provided by Parity led to a \$30 million theft of Ether. Initial problems and continued setbacks with the implementation and development of smart contracts may have an adverse effect on the value of Ether and other digital currencies.

**Exchanges Operating Outside of the U.S.** Digital asset exchanges generally operate outside of the United States. The Funds may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained by the Funds in another country. In general, certain less developed countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies. These legal and regulatory risks may adversely affect the Funds and their operations and investments.

**Third Party Wallet Providers.** The Funds may use third party wallet providers to hold a portion of each Fund's Digital Assets. The Funds may have a high concentration of its Digital Assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. The Funds are not required to maintain a minimum number

of wallet providers to hold the Funds' Digital Assets. The Funds may not perform detailed diligence on such third-party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third-party wallet providers may not indemnify the Funds against any losses of Digital Assets. Digital Assets held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such Digital Assets. The Funds may also incur costs related to third party storage. Any security breach, incurred cost or loss of Digital Assets associated with the use of a third-party wallet provider, may adversely affect an investment in the Funds. A Fund's ability to invest in a particular cryptocurrency may be impacted by the types of cryptocurrencies accepted by third party wallet providers that are qualified custodians. In addition, a number of the risks applicable to the Adviser are also applicable to third party wallet providers, including without limitation those discussed above in "*Custody of the Fund's Digital Asset*" and "*Risk of Loss of Private Keys*".

**Risks Related to Insufficient Mining or Validation Incentives.** With respect to digital currencies that are maintained through mining or validation activities, if the award of new units of digital currency for solving blocks and transaction fees for recording transactions is not sufficiently high, miners or validators may cease their activities and, as a result, confirmations of transactions on the blockchain could be slowed temporarily and the likelihood of a malicious actor or botnet obtaining control may increase.

**Risk of 51% Attack.** Transactions in cryptocurrencies based on blockchain technology are subject to what is referred to as "51% attacks." The transactions on the blockchain are processed by "miners" and this processing consumes much computing power. The technology has a known vulnerability in case one miner is able to process more than 50% of the transaction's throughput. In this case such miner may be able to change the transaction history in a way that will benefit him or herself to the detriment of other holders of the cryptocurrency. A successful such attack may lead to complete loss of confidence in the cryptocurrency and rapid deterioration in its price until it potentially becomes worthless.

**Risks of Exclusion of Transactions.** To the extent that any miners or validators exclude some or all transactions, significant increases in fees and widespread delays in the recording of transactions could result in a loss of confidence on the relevant digital currency networks. This could result in a loss of confidence in the digital currency network, including the Bitcoin network and Ethereum network, which could adversely affect an investment.

**Risks of Collusion of Miners or Validators.** Miners or validators could collude to raise transaction fees, which may adversely affect the usage of digital currency networks.

Miners and validators, functioning in their transaction confirmation capacity, often collect fees for each transaction they confirm. While miners and validators are not forced to confirm any specific transaction, they are economically incentivized to confirm valid transactions as a means of collecting fees. If miners or validators collude in an

anticompetitive manner to reject low transaction fees, then digital currency users could be forced to pay higher fees, thus reducing the attractiveness of the digital currency network, which may adversely affect an investment in a Fund or the ability of the Fund to operate.

**Regulatory Risks Related to Digital Assets.** Certain Funds invest in early-stage projects that are developing protocols or tokens that are not yet available in a distributed and liquid network. Launching a network is often accomplished through processes referred to as airdrops, mining initial coin offerings ("ICOs") or initial exchange offerings ("IEOs"). ICOs and IEOs allow for investors or users of the network to purchase certain Digital Assets offered or created by blockchain based companies on various platforms in exchange for dollars or already established Digital Assets, which can then be converted to dollars on a Digital Asset exchange. Certain Funds also invest in later stages once the token is liquid and available to be traded through exchanges or peer to peer.

There is substantial uncertainty over the regulatory treatment of presales, ICOs, IEOs, airdrops and tokens in general, including how development-stage protocols can achieve sufficient functionality and decentralization such that the SEC would not deem the underlying token a security. For example, the SEC has pursued a number of investigations and enforcement actions against various digital asset issuers, exchanges and other market participants. Such market participants have faced substantial fines and penalties, including injunctions, which substantially impair or entirely prohibit their business. The outcome of past and future regulatory activities could restrict the ability of companies to raise funds, investors to receive tokens, investors to sell tokens and create liquidity or abandon tokens due to regulatory uncertainty, protocols to achieve distribution and materially and adversely impact the adoption of crypto and blockchain technology and the potential return of a Fund.

The industry of Digital Assets and the various token presales are also subject to fraud, security breaches, adverse regulatory developments, enforcement actions and technological developments. There is no guarantee that any Digital Asset purchased will have any value or worth or is compliant with applicable regulations. Digital Assets can at any point become subject to federal and state securities laws, federal commodity laws, state and federal lending laws, money transmission and Bank Secrecy Act/FinCEN regulations and various international regulations, among other restrictions. Such restrictions may have an adverse impact on a Fund's assets or on a Fund's ability to sell its assets. The Fund may invest in Digital Assets that it may not subsequently be able to legally sell, or regulation may be so unclear that the Fund may decide to hold Digital Assets until a time that there is sufficient clarity of its status, which may not come in a reasonable timeframe or the Digital Asset may lose its value in the interim.

**Fraudulent ICOs and Pre-ICOs.** ICO and pre-ICOs campaigns in which the Funds may participate are unregulated and may turn out to be fraudulent. There is no guarantee that funds lost due to such fraudulent actions will be recovered by the Funds.

**ICO Ineligibility.** The Funds may be ineligible to participate in certain ICOs (particularly, ICOs issued by non-U.S. sponsors that limit participation to non-U.S. persons or entities). While the Funds may seek to participate in ICOs through a non-U.S. subsidiary, there is no guarantee that a non-U.S. subsidiary of any of the Funds will be permitted to take part in an ICO that generally limits participation to non-U.S. persons or entities.

**Investing in Blockchain Technology Companies.** Companies in the rapidly changing fields of blockchain technology and the Digital Assets markets face special risks. The Adviser has no control over and limited visibility into future technological developments. The rapid pace of technological development creates the risk that an issuer's products and services become obsolete, fail to gain meaningful market share, or fall out of favor as more appealing and advanced technologies and products emerge. A company's intellectual property rights may be subject to legal challenge. Many companies in the blockchain technology and Digital Assets space have limited operating histories. Such a company may be unable to engage and retain sufficient skilled engineering, marketing and management personnel to allow it to maintain its technological edge and develop the corporate infrastructure required to sustain and grow its business. Some Digital Asset or blockchain industries may be subject to greater governmental regulation than other sectors, and changes in governmental policies and the need for regulatory approvals may materially and adversely affect the business of companies in those sectors. For these and other reasons specific to particular industries and companies, investments in companies in blockchain technology industries pose greater risks than those in certain other sectors.

**Uncertain Regulatory Environment.** In addition to the regulatory risks noted above, the overall regulatory environment for Digital Assets remains uncertain. Numerous U.S. federal agencies have asserted whole or partial regulatory authority over Digital Assets, including, but not limited to, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Federal Trade Commission, and the Financial Crimes Enforcement Network. Whether and to what extent Digital Assets will be regulated by any existing federal agencies or by new legislation passed by the U.S. Congress is unknown and the effect on the market value of Digital Assets overall is unknown. State regulatory agencies may also create their own set of regulations of Digital Assets, which might further negatively impact the value of Digital Assets. Regulatory activity in any of these areas may restrict the ability of the General Partner of each Fund both to make investments in Digital Assets and to realize the value of any investments by restricting the conversion of any such value into U.S. dollar-based assets.

**No FDIC or SIPC Protection.** Digital currencies held by the Funds are not subject to Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") protections. The Funds are not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, deposits held with or assets held by the Funds 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 Funds' digital currencies represented by interests in the Funds are not insured.

**Risks Relating to Availability of Banking Services.** Banks may not provide banking services, or may cut off banking services, to businesses that provide digital currency-related services or that accept digital currency as payment, which could damage the public perception of digital currency and the utility of digital currency as a payment system and could decrease the price of digital currency and adversely affect an investment in a Fund.

A number of companies that provide digital currency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to digital currency-related companies or companies that accept digital currency for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide digital currency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of digital currency as a payment system and harming public perception of digital currency or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of digital currency as a payment system and the public perception of digital currency could be damaged if banks were to close the accounts of many or of a few key businesses providing digital currency-related services. This could decrease the value of the digital currencies held by a Fund and therefore adversely affect an investment in the Fund.

**Legality of Digital Currencies.** It may be illegal, now or in the future, to own, hold, sell or use digital currencies in one or more countries, including the United States. Although currently digital currencies are not regulated or are lightly regulated in most countries, including the United States, one or more countries may 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 the Funds' ability to hold or trade digital currencies and could result in termination and liquidation of the Funds at a time that is disadvantageous to the investors, or may adversely affect an investment in the Funds.

**Tax Risk.** There is substantial uncertainty regarding the tax treatment of Digital Assets. As such, the General Partner of each Fund may take certain tax positions that may ultimately be treated differently in the course of an audit by the Internal Revenue Service ("IRS"), or the regulations promulgated by the IRS may change over time. As a result, limited partners may be subject to adverse tax consequences associated with their investment in a Fund.

**Other tax considerations.** Since Funds invested in Digital Assets will be permitted to engage in staking and other activities associated with Digital Assets, Limited Partners may incur an income tax liability with respect to their share of any associated income that such activities may generate, which could include unrelated business taxable income ("UBTI"). Each investor should consult with and rely on its own independent tax counsel

as to the U.S. federal income tax consequences of an investment in the Fund based on its particular circumstances, as well as to applicable state, local or non-United States tax laws.

**Risk from Unique Governance Model.** In many cases, the Funds will be investing directly in a Digital Asset that lacks the governance aspects that generally pertain to equity securities. For example, a holder of a Digital Asset does not have the right to appoint board members or otherwise vote on corporate actions of the entity that has issued the Digital Asset. As a result, the General Partner of each Fund will have limited, if any, ability to influence the actions of the issuer of the Digital Asset and such lack of influence may negatively impact the value of any particular investment.

**Risk from Conflicts between Equity Holders and Holders of Digital Assets.** In some cases, a Fund may purchase traditional equity securities in an issuer in addition to, or in lieu of, purchasing Digital Assets from the issuer. To the extent that a Fund has an economic interest in either traditional equity securities or a Digital Asset, the economic incentives of the Fund may diverge from those of other equity or Digital Asset holders. As a result, the value of an investment or the ability to realize that value may be compromised by these potentially divergent economic interests.

**Staking Risks.** A Fund may hold certain Digital Assets in a “cold wallet.” Consequently, a Fund may not be able to stake such Digital Assets and may not benefit from potential dividends and distributions related to such staking. Additionally, a Fund may hold certain Digital Assets in a “hot wallet” in order to benefit from distributions related to staking as well as benefit from participation in governance of the Digital Asset. Staking in this context increases the risk of loss of such Digital Assets through increasing vulnerabilities to hacking. In some cases, the Funds may choose to contract with third parties to which the Funds will delegate staking of assets to these third parties. While the Funds will endeavor to minimize any risks associated with these third parties, there can be no assurance that such parties may not illegally gain access to the Funds’ Digital Assets or that, in the process of staking, such third parties may face a risk of loss of certain Digital Assets. In addition, staking could generate UBTI or income that is effectively connected to a US trade or business (“ECI”) or create negative tax implications for certain investors in a Fund.

**Valuation of Digital Assets.** Different methods of valuing Digital Assets may provide materially different results. Actual realized returns on investments will depend on, among other things, the value of the Digital Assets at the time of disposition, any related transaction costs, and the manner of sale. Accordingly, the actual realized return on investments may differ materially from the values presented to the limited partners. In addition, given the complexities involved in valuing Digital Assets and the difficulty in confirming ownership of such assets, direct or indirect investments in Digital Assets by a Fund could result in delays in the issuance of financial opinions by such Fund’s auditors or in the qualification, in whole or in part, of such opinions. Furthermore, the General Partner of each Fund may not be able to find an audit firm to present an unqualified audit

of a Fund's assets, in which case limited partners may need to rely on unaudited financials.

**Recent Financial Market Fluctuations.** In addition to volatility in the market for Digital Assets, general fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The ability to realize investments depends not only on investee companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. There can be no assurance that Funds will be able to exit from their investments in companies by listing their shares on securities exchanges or disposing of Digital Assets in other venues. The trading market, if any, for the securities of any company or for the Digital Assets may not be sufficiently liquid to enable to a Fund to sell these securities or Digital Assets when the Adviser believes it is most advantageous to do so, or without adversely affecting the market price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments.

**Lack of available Third-Party Qualified Custodians.** As a registered investment adviser, the Adviser hopes to utilize third-party custodians for the Fund's Digital Assets. However, qualified third-party custodians that satisfy this requirement for certain Digital Assets may not be available, in which case the Fund may be required to self-custody Digital Assets. There can be no assurance that self-custody will adequately protect the security of such Digital Assets, exposing the Fund to up to the complete loss of a Digital Asset owing to a security breach or other failure of the self-custody procedures. In addition, regulators may not agree with the Fund's decision to self-custody a Digital Asset, resulting in the possibility of sanctions, fines or other regulatory reparations imposed on the Fund, its adviser or any of their respective affiliates by the SEC.

**"Stablecoin" Risks".** The term "Stablecoin" refers to a crypto asset with a value that is pegged to a reference asset, such as the U.S. Dollar. In some cases, the value of the Stablecoin is determined by reference to assets backing the Stablecoin and, in other cases, the value is determined by a pricing methodology that is used to maintain the price of the Stablecoin. The regulatory status of Stablecoins as "securities" or regulated derivatives products is unclear. There is risk that these products will be recharacterized by the CFTC as regulated derivative instruments or the SEC as securities. Moreover, there is no guarantee that the value of a given Stablecoin will not fluctuate and become unpegged to its reference asset. There is a risk that the Funds will suffer significant losses



in the event that a Stablecoin held by the Funds decrease in value relative to its reference asset.

**Trading Suspensions.** The United States, other governments, and U.S. and non-U.S. token exchanges retain the right to suspend or limit trading in crypto assets. Such a suspension might render it impossible for the General Partner to liquidate certain positions promptly and, accordingly, could expose the Funds to losses.

#### **Item 9. Disciplinary Information**

Item 9 is not applicable to the Adviser.

#### **Item 10. Other Financial Industry Activities and Affiliations**

Certain limited liability companies serve as general partners of the Funds. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

The Adviser also is registered as a lobbying organization with the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives. The Adviser is registered, as required by federal law, to pursue lobbying efforts by working with policymakers and their staff to bring thoughtful legislation and regulatory clarity to advanced technologies.

a16z Perennial Management L.P., an SEC-registered investment adviser, is under common control with the Adviser through common ownership. Common ownership can create a potential conflict of interest. The Adviser believes that conflicts of interest between the two registered advisers as a result of common ownership are mitigated as a result of several factors. For instance, the Adviser has implemented information barriers and the Adviser's investment professionals are solely dedicated to AH Capital Management L.L.C.. In addition, the Adviser and a16z Perennial Management L.P. are not competitors for clients. Please see Item 11 for further discussion of conflicts of interest.

The Adviser from time to time will refer persons to an investment adviser that is owned in part by a Fund. The investment adviser offers to its prospective investors the opportunity to invest in private funds that it manages, which funds invest in one or more other private funds including the Adviser's Funds. The Adviser is not compensated for these referrals and the Fund does not own a controlling interest in the investment adviser, and, accordingly, the Adviser does not believe that there is a material business relationship between the advisers or that it has a material conflict of interest when it makes such referrals.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics

The Adviser maintains a written Code of Ethics that is applicable to all of its members, officers and employees as well as certain independent contractors (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households are permitted to purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, including Digital Assets, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are required to file certain periodic reports with the Adviser's Chief Compliance Officer ("CCO") as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest. Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: AH Capital Management, L.L.C., 2865 Sand Hill Road, Menlo Park, CA 94025.

### Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser from time to time invest in and alongside a Fund, either through the General Partner, as direct investors in a Fund or otherwise. A Fund or its General Partner, as applicable, routinely reduces all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner's interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser from time to time provides certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

### Conflicts of Interest

The Adviser engages in a broad range of activities, including investment activities for its own account and providing transaction-related, investment advisory, management and other services to the Funds and their investments. In the ordinary course of conducting its activities, the interests of the Funds will from time to time conflict with the interests of the Adviser. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser from time to time establishes certain investment vehicles through which certain employees of the Adviser or its affiliates, certain business associates, other “friends of the firm,” or other persons may invest alongside a Fund in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” will, in certain instances, be contractually required to purchase and sell certain investment opportunities at substantially the same time and substantially the same terms as a Fund. Such co-investment vehicles do not pay Advisory Fees or Carried Interest.

### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of the Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Fund;
- (3) Each Fund has established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committee meets as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and

- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

In addition, certain provisions of a Fund's Organizational Documents are designed to protect the interests of investors in situations where conflicts exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest will be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

### *Conflicts*

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that are faced by a Fund. Other conflicts are disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### *Allocation of Investment Opportunities Among Clients*

In connection with its investment activities, the Adviser encounters situations in which it must determine how to allocate investment opportunities among various clients and other persons, which include, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include Adviser Investors and/or individuals and entities that are not investors in any Funds ("Third Parties"));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as "co-sponsors" with the Adviser with respect to a particular transaction.

The Adviser maintains written policies and procedures relating to the allocation of investment opportunities and makes allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, "Investment Allocation Requirements"), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are generally set forth in the instrument under which the Fund was established (such as a Fund's Organizational Documents).

In the event that the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund's investment objectives, strategies and structure. A Fund's investment objectives, strategies and structure typically are reflected in the Fund's Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities may be set forth in a Fund's Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser considers some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;

- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints;
- Such other criteria as are reasonably related to the allocation of investments to one or more Clients; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

In certain circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds. The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. There can be no assurance that the application of the Investment Allocation Requirements and factors set forth above will result in a Fund participating in all investment opportunities that fall within its investment objectives.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and are permitted to invest directly in Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

#### *Allocation of Co-Investment Opportunities and Secondary Transactions*

From time to time, the Adviser has and will offer co-investment opportunities to one or more Fund limited partners. In considering whether or not to offer a co-investment opportunity to an investor, the Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for a Fund

(after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Fund or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess will be offered to one or more co-investors pursuant to the procedures included in the Fund's Organizational Documents and as set forth in the following paragraphs.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in a Fund, in the sole discretion of the Adviser or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested, and (iv) certain persons other than investors in a Fund (e.g., consultants, joint venture partners, persons associated with a portfolio company and other Third Parties) rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds, and other potential co-investors, the Adviser considers some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the Fund without harming or otherwise prejudicing the Fund, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction;
- The size of the investment allocation available to the General Partner (and not being allocated to any other investment funds and entities managed by the General

Partner or any of its affiliates) and the practicality of splitting the allocation into smaller tranches;

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- Any confidentiality concerns the Adviser has that arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment;
- The Firm's evaluation of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of such person or entity to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Firm, expected amount of negotiations required in connection with a potential co-investment party's commitment and history of consummating transactions;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- Whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that interest;
- The Adviser's perception of whether the investment opportunity subjects the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Fund to take advantage of such



opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which the Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of the Fund being able to capitalize on a potential investment opportunity);

- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to the relevant Fund or future funds and/or the Adviser; and
- The timing and amount of a potential co-investor's investment in the Funds.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above, may not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. For example, the Adviser will be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the applicable Fund or that expenses incurred by such Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to a Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, tax, reporting, public relations, media or other burdens;
- Requirements in the Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into a future Fund may be considered but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

#### *Conflicts Related to Purchases and Sales*

Conflicts arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for multiple Funds at the same, different or overlapping levels of a portfolio company's capital structure, including in cryptocurrency tokens issued by such portfolio company. Conflicts arise in determining the terms of investments. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. Investments by more than one Fund in a portfolio company or Digital Asset issued by a portfolio company will also raise the risk of using assets of a Fund to support positions taken by other Funds, or that a client

may remain passive in a situation in which it is entitled to vote. The Adviser may also express inconsistent or contrary views of commonly held investments or of market conditions more generally. Employees and related persons of the Adviser have made and will likely continue to make capital investments in or alongside certain Funds, and therefore will have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

From time to time the Adviser will, in its discretion, enter into transactions with investors in a Fund to dispose of all or a portion of certain investments held by a Fund. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider some or all of the factors listed above under "*Allocation of Co-Investment Opportunities and Secondary Transactions*". The sale price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sale prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sale transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the Fund, taking into account the sale price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Organizational Documents of the applicable Fund(s).

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances a Fund may also enter into limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential investment is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity. While certain co-investment vehicles with investments contractually tied to a Fund (including co-investment vehicles through which employees of the Adviser participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee (whether pursuant to the applicable Funds' Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Funds would be held responsible for the entire equity purchase price or reverse termination fee, as applicable.

The Funds, from time to time, may co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments involve risks that would not otherwise be present in investments where a third party is not involved. Such

risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Funds, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where a Fund will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Since certain Funds have similar investment objectives and programs, the Adviser will, if consistent with Advisory Agreements and permitted by applicable laws and regulations, combine buy or sell orders for two or more Funds into a single large order, and place the combined order with a single broker or dealer for execution. In many instances, such aggregated or bunched orders can result in lower commissions, a more favorable net price or more efficient execution than if each client's order were placed separately.

There may, however, be instances in which order aggregation results in a less favorable transaction than a particular client would have obtained by trading separately. Similarly, when orders are not bunched, there may be circumstances when purchases or sales of portfolio securities for one or more clients will have an adverse effect on other clients. The Adviser is not obligated to place all transactions on an aggregated basis, and in determining whether or not to combine orders the Adviser will rely on the judgment of trading personnel as to what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. Transactions involving commingled orders will be allocated in a manner deemed equitable to each account. The Adviser seeks to avoid putting any client account at an advantage or disadvantage compared to the Adviser's other client accounts that are buying or selling the same security. When a combined order is executed in a series of transactions at different prices, each account participating in the order will typically be allocated an average price obtained from the executing broker. To help ensure the equitable distribution of investment opportunities among its clients, the Adviser has adopted written trade allocation guidelines for its personnel.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser maintains certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including

that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Cross-Transactions*

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund or may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates have the potential to receive management or other fees and/or Carried Interest in connection with their management of the relevant Funds involved in such a transaction and may also be entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's CCO will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) assesses whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

### *Management of the Funds*

The Adviser expects that it or its personnel will in the future establish additional investment funds with investment objectives substantially similar to, or different from, those of the Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients*" above. The Adviser may give advice or take actions with respect to the investment of one or more Funds that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies may not hold the same securities or achieve the same performance.

In addition, a Fund may not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity. In addition, it is expected that certain employees of the Adviser responsible for managing a particular Fund will have responsibilities to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest will arise in allocating time, services or functions of these officers and employees.

The Adviser may consider and reject an investment opportunity on behalf of one Fund and, the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one Fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting Fund(s) will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangements when the Adviser determines it is in the best interests of the Funds.

#### *Follow-on Investments*

Investments to finance follow-on acquisitions present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

#### *Conflicts Relating to the General Partner and the Adviser*

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to a Fund. When engaging a related person to provide such services, the Adviser will have an incentive to recommend the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser will from time to time, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, may have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates from time to time buy or sell securities, Digital Assets, or other instruments that the Adviser has recommended to Funds. Officers, principals and employees of the Adviser also from time to time buy securities or Digital Assets in transactions offered to but rejected by Funds. A conflict of interest will arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of a Fund. In such circumstances, the investing Adviser personnel will not share or reimburse the Fund and/or the Adviser for any expenses incurred in connection with the investment opportunity. In addition, certain officers and employees also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which include potential competitors of the Funds. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they will have conflicting interests with respect to these investments. While the significant interests of the officers and employees of the Adviser generally aligns the interest of such persons with the Fund, such persons will have differing interests from the Funds with respect to such investments (for example, with respect to the availability and timing of liquidity).

Because certain expenses are paid for by the Funds and/or their portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing the Fund or its portfolio companies to incur) such expenses.

Except to the extent prohibited by relevant fund documents, the Adviser and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based

compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the fund documents and anti-"assignment" provisions of the Advisers Act, the Adviser and its personnel are also permitted to offer, restructure and monetize interests in the Adviser.

### *Fee Structure*

Because there is a fixed investment period after which capital from investors in a Fund may only be used in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based on capital invested by the Funds, this fee structure creates an incentive to deploy capital when the Adviser may not otherwise have done so.

Additionally, as discussed above in Item 6, each General Partner of a Fund is entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such General Partner is an affiliate of the Adviser. The existence of the General Partner's Carried Interest creates an incentive for a General Partner to cause the relevant Fund to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Organizational Documents, the General Partner may be required to return excess distributions of Carried Interest as a "clawback". This clawback obligation creates an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in (or exacerbate) a clawback situation for the General Partner.

### *Fund Level Borrowing*

The Funds from time-to-time borrow funds or enter into other financing arrangements (including a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments)) for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in the Fund on a pro-rata basis, including the General Partner. In addition, credit facilities for a Fund are available to provide borrowed funds directly to the portfolio companies of the Fund, in which case such borrowed funds would be guaranteed by such Funds.

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, a Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's



use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than it otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund's General Partner by decreasing the amounts of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

Borrowing by a Fund will generally be secured by capital commitments made by the limited partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by a Fund may cause the realization of UBTI and international investors should note that the use of borrowings by a Fund may cause realization of ECI. In addition, to the extent a Fund invests in or stakes Digital Assets, there may be realization of UBTI or ECI.

### *Subscription Lines*

A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the relevant fund documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns

even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use Fund-level borrowing to pay management fees and to reimburse the Adviser for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited

partners would end up with increased exposure to the underlying investment, which could result in greater losses.

### *Providers of Operations Support*

The portfolio companies will from time to time engage with other companies and individuals ("Operations Support Providers"), which include affiliates of the Adviser or General Partners, employees of such affiliates, portfolio companies of other of the Adviser's Funds, third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), venture partners, entrepreneurs-in-residence, executives-in-residence, consultant, contractor, or adviser (as those terms are generally understood in the venture capital and private equity industries). The Operations Support Providers are engaged to provide operational support, specialized operations, introductions to relevant third parties and consulting services and similar or related services to, or in connection with, one or more portfolio companies ("Operations Support Services"). These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Operations Support Providers may be offered the ability to co-invest alongside Funds, including in investments in which such Operations Support Provider is involved or participates in the management thereof. Any compensation, including fees, equity interests and reimbursement of expenses will be paid for by the portfolio companies and will not offset or otherwise reduce the management fee. To the extent a portfolio company grants equity interest to an Operations Support Provider, such grant will have a dilutive effect on other investors in the portfolio company including one or more Funds.

### *Diverse Membership*

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

### *Business with Portfolio Companies and Investors*

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser will have a conflict of interest in making such recommendations, as the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by a Fund and its portfolio companies receiving the service.

The Adviser has an incentive to recommend the products or services of certain investors or prospective investors in a Fund, certain Third Parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Fund or the portfolio companies.

Portfolio companies in which the Funds invest provide services to certain Fund investors. The Adviser has an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In addition, certain portfolio companies in which a Fund invests may engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Advisers and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another portfolio company. In providing advice to a portfolio

company's business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company.

The Adviser has instituted a marketplace program under which portfolio companies owned by the Funds and other vendors are given the option to make introductions to portfolio companies and offer services. Program participants expect to receive discounts negotiated with various vendors and service providers, including portfolio companies, on a groupwide basis. Participants voluntarily participate in the program without cost.

From time to time the Adviser and its affiliates and personnel and persons selected by them expect to receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than the Adviser and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, the Adviser believes that the potential for conflicts of interest relating to such discounts is mitigated. Discounted prices or better terms offered by a portfolio company to the Adviser, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

#### *Service Providers*

The Adviser engages certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers are, in certain circumstances, Fund portfolio companies, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, employees of the Adviser and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that an Adviser may have with a service provider can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company. The Adviser will have a conflict of interest with a Fund in recommending the retention or continuation of a service provider to the Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the

service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the applicable Fund), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. While the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which the Adviser receives more favorable service rates or arrangements than the Funds or their portfolio companies.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Fund and/or its portfolio companies. Notwithstanding the foregoing, the Adviser generally does not enter into any arrangement with a service provider that provides for a lower rate or discount than those available to a Fund or a potential portfolio company for comparable services.

In connection with its services to the Funds and their investments, the Adviser, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Adviser's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Adviser and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Adviser Information"). In many cases, Adviser Information will include tools, procedures and resources developed by the Adviser to organize or systematize Adviser Information for ongoing or future use. Although the Adviser expects its Funds and their portfolio companies generally to benefit from the Adviser's possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of the Adviser and solely for the use of the Adviser. The Adviser reserves the right to use, share, license, sell or monetize Adviser Information, without offset to management fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization.

#### *Selection of Intermediaries, Exchanges, and Counterparties*

The Adviser is subject to conflicts relating to its selection of intermediaries, exchanges, and counterparties on behalf of a Fund. Portfolio transactions for a Fund will be allocated to intermediaries, exchanges and counterparties on the basis of numerous factors, and will not necessarily always be allocated to the third party with the lowest pricing. Certain intermediaries, exchanges and counterparties provide other services that are beneficial to the Adviser, but not necessarily beneficial to the Fund, which may create an incentive for the Adviser to allocate transactions to those intermediaries, exchanges or counterparties.

In addition, the Funds from time to time invest in intermediaries, exchanges or other service providers to pooled investment funds or other investors in Digital Assets, including businesses that focus on storage, security and custody of Digital Assets. The Adviser has an incentive to cause a Fund to transact with such intermediaries, exchanges or other service providers, including where similar services are available from other third parties on terms that are more beneficial to the Fund.

#### *Positions with Portfolio Companies*

Employees of the Adviser from time to time serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflict with those of a Fund, it is expected that the interests will be aligned. In addition, employees of the Adviser may leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company. Employees and/or members of one or more General Partners from time to time receive directors' fees or consulting fees, break-up fees, management or other fees personally from portfolio companies, subject to the offset arrangements described in Item 5 above.

Decisions made by a director may subject the Adviser or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims.

From time to time, employees of the Adviser may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Such companies are no longer portfolio companies of the Fund and as a result, any compensation received by such Adviser employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

#### *Side Letter Agreements; Advisory Committee Rights*

The Adviser from time to time enters into certain side letter arrangements with certain investors in a Fund, which provide different or preferential rights or terms, including, but not limited to, different fee structures, information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights except as otherwise agreed with an investor, the Adviser (or applicable General Partner)

is not required to disclose the terms of side letter arrangements with other investors in a Fund. Other side letter rights are likely to confer benefits on certain Limited Partners at the expense of the relevant Fund or of Limited Partners as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

Each Fund has established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee. The advisory committee also has the ability to approve conflicts of interests with respect to the Adviser and the Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Fund's advisory committee are often also members of the advisory committee of another Fund. In such instances, a conflict of interest exists because the Funds on which such overlapping advisory committee members may have conflicting interests and such advisory committee members will be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

### *Strategic Relationships*

Further, the Adviser has entered into strategic relationships with certain investors that involve a broad mandate with the Adviser and related investment strategies ("Strategic Relationships"). A Strategic Relationship often involves - but is not required to involve - an investor agreeing to make a capital commitment across multiple Funds in exchange for additional rights and benefits. Specific examples of such additional rights and benefits have included and can be expected to include, among others, specialized reporting and/or targeted amounts for co-investments alongside Adviser vehicles. The co-investment that is part of a Strategic Relationship can be expected to include co-investment in investments made by the Funds. Strategic Relationships may, in certain circumstances, result in fewer co-investment opportunities (or reduced allocations) being made available to Fund investors.

### *Other Potential Conflicts*

The Organizational Documents of each Fund establish complex arrangements among the Fund, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such



documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in the Fund and may also represent one or more portfolio companies or investors in the Fund. In the event of a significant dispute or divergence of interest between a Fund and the Adviser, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds may engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Fund and/or the portfolio company, or the Adviser receiving a discount on services even though the Fund and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses result in "miles" or "points" or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies.

The Adviser may and has, in its discretion, cause a Fund and/or its portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Fund and/or its portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Fund (or its portfolio companies) in determining whether to engage in or to continue such

dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Adviser will from time to time cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, the Adviser and/or their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion or the entirety of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds on a fair and reasonable basis and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Organizational Documents of the Funds permit each Fund’s General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to limited partners for reasons relating to the General Partner’s public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

The Adviser from time to time receives material, non-public information regarding issuers, including through its members who participate on the board of directors of other entities, which in some cases may expose such persons to material non-public information regarding other issuers that may fall within the Fund’s investment objectives. Under applicable law and policies, employees of the Adviser are generally prohibited from disclosing or using material non-public information for their own personal benefit or for the benefit of any other person, regardless of whether that person is a client. Accordingly, should an employee of the Adviser obtain material, non-public information with respect to an issuer, he or she is generally prohibited from communicating that information to, or using that information for the benefit of clients. Accordingly, receipt of material non-public information by the Adviser or its employees may impact the ability of the Funds to buy, sell or hold certain investments, which may adversely impact the Funds’ investment results. The Adviser has no obligation or responsibility to disclose the information to, or use such information for the benefit of, any person (including clients) even if requested

by the Adviser or its affiliates and even if failure to do so would be detrimental to the interests of that person.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

## **Item 12. Brokerage Practices**

As Funds invest primarily in early stage and later-stage private companies and Digital Assets, the Adviser anticipates that it will utilize brokers for Fund transactions only in very limited circumstances (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser maintains written policies to address issues that might arise with respect to brokerage practices.

### Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund’s General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for the Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser’s investment team takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks (“ECNs”) when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's investment team, in consultation with the Adviser's CCO, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser also maintains policies and procedures related to selection and utilization of Digital Asset exchanges. Similar to selection of brokers or dealers, the Adviser's investment team takes into account all factors deemed relevant to a Digital Asset exchange's execution capability, including but not limited to, cybersecurity of the exchange, reputation and experience, and any related custody solutions offered by the exchange.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

#### Aggregation of Trades

The Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security or Digital Asset. The Adviser often employs this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser may combine orders on behalf of Funds with orders for other Funds for which it has trading authority, or in which it has an economic interest. In such cases, the Adviser generally aggregates trade orders for publicly traded securities and including Digital Assets, so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

### **Item 13. Review of Accounts**

#### Oversight and Monitoring

The Adviser closely monitors the Funds' investments. The portfolios are reviewed by the Adviser's investment professionals on a periodic basis.

#### Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund, as well as quarterly performance reports within 45 days after each fiscal quarter end. The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

#### **Item 14. Client Referrals and Other Compensation**

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, the Adviser reserves the right to engage one or more persons to act as a placement agent for the Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to the Fund that are subsequently accepted. The Fund may, subject to any limitations set forth in its Organizational Documents, reimburse such fees. Advisory Fees received by the Adviser are generally reduced by the amount of such fees paid by the Fund. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

#### **Item 15. Custody**

The Adviser is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other requirements, mandates that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

#### **Item 16. Investment Discretion**

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

#### **Item 17. Voting Client Securities**

The Adviser maintains written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds ("Votes"). The Adviser or General Partner of each Fund votes all Votes in the best interests of each Fund by maximizing the economic value of the relevant Fund's holdings, taking into account the relevant Fund's investment horizon, the contractual

obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser or General Partner does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser's CCO or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds. If an investment professional is making the voting decision, the investment professional will inform the CCO of any such voting decision, and if the CCO does not object to such decision as a result of his or her conflict of interest review, the Vote will be voted in such manner. In the event of a conflict of interest with respect to a Vote, the Adviser's voting policies and procedures provide that the CCO may address the conflict using several alternatives, including by consulting with the Adviser's Managing Member or a Fund's General Partner.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: AH Capital Management, L.L.C., 2865 Sand Hill Road, Menlo Park, CA 94025.

#### **Item 18. Financial Information**

Item 18 is not applicable to the Adviser.