

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

PANTERA BITCOIN FUND LTD
a Cayman Islands Exempted Company

March 2021

DIRECTORY

PANTERA BITCOIN FUND LTD

Please direct investor inquiries to the Investor Relations Department (Telephone No.: 415-360-3600; E-mail: ir@panteracapital.com).

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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

PANTERA BITCOIN FUND LTD

Pantera Bitcoin Fund Ltd (the "Fund") has offered and is currently offering the Shares described in this Confidential Private Placement Memorandum (this "Memorandum") to certain qualified investors that, if accepted, will become shareholders of the Fund (the "Shareholders"). The first closing of the Fund with respect to its investment in Bitcoin occurred in July 2013.

Prospective investors should carefully read this Memorandum in its entirety. However, the contents of this Memorandum should not be considered to be investment, legal or tax advice, and each prospective investor should consult with its own counsel and advisers as to all matters concerning an investment in the Fund.

There will be no public offering of the Shares. No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful.

This Memorandum has been prepared for the information of the person to whom it has been delivered (the "Recipient") by or on behalf of the Fund, and may not be reproduced or used for any other purpose. By accepting this Memorandum, the Recipient agrees (i) not to reproduce or distribute this Memorandum, in whole or in part, without the prior written consent of the Fund or its authorized representatives, (ii) to return this Memorandum to the Fund or its authorized representatives upon request and (iii) not to disclose any information contained in this Memorandum or any other information relating to the Fund to any person who is not a trustee, director, officer, employee, auditor, agent, attorney, financial adviser or other professional adviser responsible for matters relating to the Fund or who otherwise has a need to know such information in connection with such person's responsibilities with respect to the Recipient and who is under an obligation to keep such information confidential, except to the extent such information is in the public domain (other than as a result of any action or omission of the Recipient or permitted person to whom the Recipient has disclosed such information). Notwithstanding anything to the contrary in this Memorandum, each investor (and each employee, representative or other agent of such investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Fund and (ii) any of the Fund's transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to such investor relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of (i) the Fund or (ii) the parties to a transaction.

This Memorandum is accurate as of its date in all material aspects, and no representation or warranty is made as to its continued accuracy after such date. None of the Fund or any of its authorized representatives has any obligation to update this Memorandum at any time in the future. Information contained in this Memorandum is subject to modification, supplementation and amendment at any time and from time to time. Each investor will be required to acknowledge that it made an independent decision to invest in the Fund and that it is not relying on the Fund, the Administrator, the Investment Manager or any other person or entity (other than

such investor's own advisers) with respect to the legal, tax, financial, risk or other considerations involved in an investment in the Fund. Past performance is no guarantee of future results.

This Memorandum has been prepared by the Investment Manager on behalf of the Fund, which has the ultimate authority over its contents. Other than the Investment Manager, no investor shall be responsible for any statements in this Memorandum.

Statements contained in this Memorandum (including those related to current and future market conditions and trends in respect thereof) that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the Investment Manager or the Fund. Such statements and certain other information contained in this Memorandum constitute "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results of the actual performance of any investment made by the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Each prospective or current investor, when making its decision to subscribe for Shares or making a subsequent investment decision with respect to the Fund, can rely only on information included in this Memorandum and any Additional Information (irrespective of any other information furnished to such investor). "Additional Information" means any information, other than information included in this Memorandum, concerning the terms and conditions of the Shares or the status of the Fund, communicated in writing to a prospective or current investor by the Fund or the Investment Manager and expressly identified as "Additional Information". If Additional Information contradicts, modifies, supplements or amends any information included in this Memorandum, this Memorandum will control, unless the Fund or its authorized representative expressly indicates in writing that such Additional Information modifies, supplements or amends the information included in this Memorandum.

The Shares are offered subject to prior sale, and subject to the right of the Fund to reject any subscription in whole or in part.

The Shares are suitable only for sophisticated investors (i) that do not require immediate liquidity for their investments, (ii) for which an investment in the Fund does not constitute a complete investment program and (iii) that fully understand and are willing and able to assume the risks of an investment in the Fund. Each subscriber for Shares will be required to represent that it is acquiring the Shares for its own account, for investment purposes only and not with a view toward distributing or reselling the Shares in whole or in part. There is no established secondary market for the Shares, and none is expected to develop. Given the investment program of the Fund and the redemption terms of the Fund, it is expected that (i) the assets of the Fund will experience significant volatility; (ii) the Investment Manager will have difficulty buying and selling assets for the Fund; and (iii) investors will be subject to delays in subscribing for and redeeming Shares.

The Shares are subject to limited liquidity and significant restrictions on transferability and resale. Investors will be required to bear the financial risks of an investment in the Fund for an indefinite period of time. Investment in the Fund involves the risk of loss of the entire value of an investor's investment in the Fund.

All references herein to "U.S. dollars" or "\$" are to the lawful currency of the United States.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws or the laws of any other jurisdiction and, therefore, cannot be resold, reoffered or otherwise transferred unless they are so registered or an exemption from registration is available. The Shares will be offered and sold under the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder and other exemptions of similar effect under U.S. state laws and the laws of other jurisdictions where the offering will be made.

The Fund is not registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Company Act"). Consequently, the Fund will not be required to adhere to certain restrictions and requirements under the Company Act, and investors will not be afforded the protections of the Company Act.

The Fund will not trade, buy, sell or hold Bitcoin derivatives including Bitcoin futures contracts. The Fund is solely authorized to take immediate delivery of Bitcoin. The Fund is not, and does not expect to become, regulated by the Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act as a "commodity pool," and will not be operated by a CFTC-regulated commodity pool operator because it will not trade, buy, sell or hold Bitcoin derivatives, including Bitcoin futures contracts. Shareholders in the Fund will not receive the regulatory protections afforded to investors in regulated commodity pools, nor may any exchange enforce its rules with respect to the Fund's activities. In addition, Shareholders in the Fund will not benefit from the protections afforded to investors in Bitcoin futures contracts on regulated futures exchanges.

The Investment Manager does not believe that the Fund or the Investment Manager is, or will be, required to (a) register as a Money Services Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury ("FinCEN"); (b) obtain a money transmitter license with the banking department of any state, or (c) obtain a license under the Cayman Islands Money Services Act (Revised) ("Money Services Act"), and therefore has not done so. There is a risk that the Investment Manager and/or the Fund will be considered a Money Services Business and will be required to register with FinCEN, obtain money transmitter licenses from state banking departments and/or obtain a license under the Money Services Act.

The Fund is a regulated mutual fund for the purposes of the Mutual Funds Act (as amended) of the Cayman Islands (the "Mutual Funds Act"). The Fund is registered with the Cayman Islands Monetary Authority (the "Monetary Authority") pursuant to section 4(3) of that law and the prescribed details in respect of this Memorandum and the Fund have been filed with

the Monetary Authority. Such registration does not imply that the Monetary Authority or any other governmental body has approved this Memorandum or passed judgment on the offering of Shares hereunder. (See "Regulatory Matters — Cayman Islands Mutual Funds Act".) A mutual fund licence issued or a fund registered by the Monetary Authority does not constitute an obligation of the Monetary Authority to any investor as to the performance or creditworthiness of the fund. Furthermore, in issuing such a licence or in registering a fund, the Monetary Authority shall not be liable for any losses or default of the fund or for the correctness of any opinions or statements expressed in any prospectus or offering document.

This Memorandum is based on the law and practice currently in force in the Cayman Islands and is subject to changes therein. No invitation to subscribe for shares may be made to the public in the Cayman Islands and this Memorandum does not represent such an invitation. Any Shares which are sold or transferred in violation of the prohibitions set out in this Memorandum may be redeemed involuntarily by the Fund. This Memorandum should be read in conjunction with the Amended and Restated Memorandum and Articles of Association of the Fund, as the same may be amended from time to time (the "Articles of Association").

In making an investment decision, investors must rely upon their own examination of the Fund and the terms of the offering, including the merits and risks involved. The Shares have not been filed with, registered, approved by or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or any other governmental agency, regulatory authority or national securities exchange of any country or jurisdiction, with the exception of filing this document with the Monetary Authority. No such agency, authority or exchange has passed upon the accuracy or adequacy of this Memorandum or the merits of an investment in the Shares offered hereby. Any representation to the contrary is a criminal offense.

Certain information contained herein concerning economic trends and performance are based on or derived from information provided by independent third-party sources. The Investment Manager believes that such information is accurate and that the sources from which it has been obtained are reliable. The Investment Manager cannot guarantee the accuracy of such information, however, and has not independently verified the assumptions on which such information is based.

Whenever in this Memorandum the Board of Directors, the Investment Manager, its affiliates or any other person is permitted or required to make a decision (i) in its "discretion" or under a grant of similar authority or latitude, such person will be entitled to consider such interests and factors as it desires, including its own interests, or (ii) in its "good faith" or under another express standard, such person will act under such express standard, will not be subject to any other or different standard imposed by applicable law and may exercise its discretion differently with respect to different Shareholders.

Prospective investors should consult Appendix B hereto for a listing of restrictions on offerings and sales in certain jurisdictions. The information set forth in Appendix B was obtained from a third-party law firm that prepared such information (i) in consultation with local counsel, where necessary, and (ii) based on a hypothetical offering structure commonly used by private investment funds. Neither Schulte Roth & Zabel LLP ("SRZ") nor Ogier prepared the information set forth in Appendix B (other than the information for (i) prospective Shareholders in the United Kingdom, which was prepared by SRZ, and (ii) prospective Shareholders in the Cayman Islands, which was prepared by Ogier). Neither SRZ nor Ogier has researched or verified the accuracy or completeness of the information. None of the Investment Manager or the Fund prepared, researched or verified the contents of such information.

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PANTERA BITCOIN FUND LTD

SUMMARY OF TERMS

The following is a summary of the principal terms of the Fund. This summary is qualified in its entirety by the more detailed information set forth in this Memorandum, any Supplement to this Memorandum, the Articles of Association and the Investment Management Agreement, each of which is available upon request, and each Shareholder's Subscription Agreement (collectively, the "Fund Documents"). This summary should be read in conjunction with such detailed information. In the event that any information in this Memorandum contradicts information set forth in any other Fund Document, the applicable Fund Document will control.

THE FUND:

The Fund

The Fund is an exempted company formed under the laws of the Cayman Islands on June 9, 2004 to operate as a private investment fund for the benefit of non-U.S. Persons and U.S. Persons. The Fund was incorporated with the name Pantera Systems Master Fund Ltd and changed its name to Pantera Bitcoin Master Fund Ltd in September 2013 and to Pantera Bitcoin Fund Ltd in March 2014. (See "Certain Risk Factors – Historical Liabilities of the Fund".)

Pantera Bitcoin Feeder Fund Ltd (the "Feeder Fund") is an exempted company formed under the laws of the Cayman Islands on June 25, 2019 to facilitate indirect investments by investors in the Fund. The Feeder Fund will invest all of its investable assets in the Fund. Each of the Fund and the Feeder Fund has unlimited duration.

The Investment Manager may, in the future, establish other feeder funds that invest through the Fund and/or may establish investment vehicles that invest in parallel with the Fund as described below under "Related Investment Vehicles."

INVESTMENT PROGRAM:

The Fund will invest substantially all of its assets in Bitcoin. The Fund will only sell Bitcoin to fund redemptions and pay expenses and liabilities. The Fund will not trade, buy, sell or hold Bitcoin derivatives for any purpose. Transactions in Bitcoin will not be made on a leveraged, margined, or offer-financed basis. The Fund may engage in Bitcoin lending transactions, in the sole discretion of the Investment Manager. (See "Investment Program".)

The Fund's investment program is extremely speculative and entails substantial risks. There can be no assurance that the investment objectives of the Fund will be achieved. (See "Certain Risk Factors".)

MANAGEMENT:

The Investment Manager

Pantera Bitcoin Management LLC (the "Investment Manager"), a Delaware limited liability company, serves as the investment manager of the Fund. Daniel W. Morehead (the "Principal"), controls the Investment Manager. The Investment Manager is a wholly-owned subsidiary of Pantera Bitcoin Advisors LLC, a Delaware limited liability company (the "Advisor"). The Advisor is a wholly-owned subsidiary of Pantera Bitcoin Partners LLC ("Pantera Bitcoin"), a Delaware limited liability company. Pursuant to delegated investment discretion over the Fund's assets, the Investment Manager, in its capacity as the investment manager of the Fund, will act solely on behalf of the Fund, in what it determines to be the best interests of the Fund and for the benefit of the Fund.

The Board of Directors

The board of directors of the Fund (the "Board of Directors") has ultimate responsibility for the management, operations and the investment decisions made on behalf of the Fund, but has delegated investment discretion over the Fund's assets to the Investment Manager pursuant to the terms of the Investment Management Agreement. Consequently, the Board of Directors does not manage the day-to-day conduct of the Fund's trading activities and, pursuant to the Articles of Association of the Fund, has no authority to approve or deny subscriptions or redemptions. Additionally, the Board of Directors has delegated the calculation of net asset value and certain administrative, accounting, registrar and transfer agency responsibilities to the Administrator. References herein to the Board of Directors taking actions and making determinations on behalf of the Fund should be understood to mean actions taken and determinations made by the Board of Directors generally in consultation with the Investment Manager. Ryan Davis, Matt Gorham, Scott Lennon, Lisa Volekaert and Glenn Kennedy serve as directors of the Fund (each, a "Director").

OFFERING OF SHARES:

Subject to the terms of the Articles of Association and to the condition that each new Shareholder execute a subscription agreement (a "Subscription Agreement"), the Fund may admit one or more new Shareholders and may accept subscriptions as of any Business Day (as defined below) or at such other times as the Investment Manager may determine in its sole discretion (each date on which all or a portion of a subscription is accepted, a "Subscription Date"). It is generally anticipated that the Investment Manager will not accept subscriptions on any Subscription Date for the Fund and the Related Investment Vehicles that, in the aggregate, exceeds 25% (or such other amount as determined in the Investment

Manager's sole discretion) (the "Subscription Percentage") of the median of the daily trading volume of Bitcoin on the Exchanges during the previous 20 Business Days (the "Median Daily Trading Volume"). The Investment Manager, in its sole discretion, may choose to accept subscriptions in excess of the Subscription Percentage, as well as limit subscriptions below the Subscription Percentage. The Investment Manager may utilize multiple subscription accounts at different banks and in multiple jurisdictions.

Investors must meet all anti-money laundering requirements before subscribing.

The "Exchanges" shall mean any exchanges determined by the Investment Manager, in its sole discretion. A "Business Day" shall mean the 24-hour period beginning at 12:00 a.m. Pacific time through 11:59 p.m. Pacific time on any day on which banks in New York (and any other jurisdictions that the Investment Manager determines are required for the Fund to transact business on such day) are open for business.

USE OF PROCEEDS:

The proceeds from the sale or lending of Shares will be available for the Fund's investment program, after the payment of the Fund's expenses.

THE SHARES:

The Fund is currently offering redeemable, participating non-voting shares of the Fund, being tranche A shares of the Fund ("Tranche A Shares") and tranche B shares of the Fund ("Tranche B Shares", together with the Tranche A Shares and such other shares of the Fund as the Fund may issue from time to time, the "Shares"), to certain qualified investors that, if accepted, will become Shareholders. The terms of each tranche of Shares established by the Fund (each, a "Tranche") are identical, except with respect to Management Fees and Realization Fees. The Advisor will hold all of the voting shares of the Fund.

Tranche A Shares are offered to all Shareholders in the Fund, other than Shareholders eligible to invest in Tranche B. Tranche B Shares are offered to the Investment Manager, its affiliates and their respective employees.

A Shareholder will be admitted to the Fund when all or any portion of its subscription amount leaves the subscription account, and may be issued tranche C shares of the Fund ("Tranche C Shares") in respect of such amount. Once a Shareholder's subscription funds have been received at the Fund's counterparty to a Bitcoin transaction or such funds have been applied by the Fund to pay

expenses or satisfy redemptions, such Shareholder's Tranche C Shares will be converted to Tranche A Shares or Tranche B Shares, as applicable. Tranche C Shares are not subject to Management Fees and are not redeemable at the option of a Shareholder. Any gains and losses on Tranche C Shares will be allocable to the Fund as a whole.

The Shares are issued in registered, book-entry form at a purchase price of \$0.01 per Share, subject to the minimum subscription amount, except as described in the following paragraph.

The Fund, in the sole discretion of the Board of Directors, may in the future establish additional Tranches having, or enter into Side Letters with Shareholders which provide for, different or additional terms than those described in this Memorandum, including, without limitation, different Management Fee rates, functional currencies, information rights and redemption rights. The Board of Directors may establish new Tranches and the Fund may enter into Side Letters with Shareholders, without providing prior notice to, or receiving consent from, other Shareholders. The Fund previously offered another Tranche of Shares which were subject to different fee terms, but such Shares are not being offered pursuant to this Memorandum. The terms of such Tranches or Side Letters will be determined by the Board of Directors and the Investment Manager in their sole discretion. (See "Other Activities of Management; Potential Conflicts of Interest — Side Letters".)

**INITIAL AND
ADDITIONAL
SUBSCRIPTIONS:**

The Investment Manager, in its sole discretion, may accept subscriptions for Shares in cash or in kind. The minimum initial subscription for each subscriber is \$100,000, or (if the Investment Manager agrees in its sole discretion to accept a subscription in kind) its equivalent, as of the Subscription Date, in Bitcoin. A Shareholder may make additional subscriptions to the Fund in amounts of at least \$50,000, or (if the Investment Manager agrees in its sole discretion to accept a subscription in kind) its equivalent, as of the Subscription Date, in Bitcoin. The Investment Manager, in its sole discretion, may accept subscriptions of lesser amounts or establish different minimums or reject, in whole or in part, any subscription, in whole or in part, for any reason or no reason; *provided* that at no time will the Fund accept a minimum initial subscription of less than \$100,000, or (in the case of subscriptions in kind) its equivalent, as of the Subscription Date, in Bitcoin, or such other minimum amount as specified under Cayman Islands law from time to time.

All admission requirements must be satisfied, including, without limitation, anti-money laundering clearance, and subscription monies must be in the Fund's subscription account prior to the

requested Subscription Date.

It is generally anticipated that subscriptions that satisfy the admission requirements before 10 a.m. Pacific time on a Business Day and subscription monies received before 10 a.m. Pacific time on a Business Day will be accepted into the Fund on the same Subscription Date. Subscriptions that do not meet such cut-off times on a given Subscription Date will be accepted into the Fund on subsequent Subscription Dates.

Subscription monies must be in the Fund's subscription account and all other admission requirements must be satisfied, including, without limitation, anti-money laundering clearance, at least one Business Day prior to the requested Subscription Date. The Investment Manager may accept amounts in the subscription account on any Subscription Date. Each Shareholder will receive written notice from the Administrator setting forth the amount of subscription monies invested in the Fund on each Business Day. To the extent that subscription monies are not invested (due to market conditions, multiple subscription requests or other factors), the Investment Manager shall invest such monies on the following Business Day or the next Business Day as determined by the Investment Manager in its sole discretion. Subscription monies will be held in a non-interest bearing subscription account (the "Bank Account") and will not be at risk of the Fund until the Investment Manager has drawn them for investment. Shares will be valued in accordance with the valuation procedures set forth herein as of the end of the Business Day on each Subscription Date. Subscription monies will not be subject to the Management Fee during any time such monies are in the Bank Account and will be charged the Management Fee beginning on the first day following the issuance of Shares to the Shareholder.

In the event that the Fund receives subscriptions on any Business Day that exceed the amount of Bitcoin that can be purchased within 5 Business Days of the subscription, the Investment Manager will delay subscriptions until adequate capacity exists.

For purposes of determining the subscription price, Bitcoin will be priced based on the time weighted average price in U.S. dollars of Bitcoin on the Exchanges (the "TWAP") as of the end of the Business Day on the Subscription Date. To determine TWAP for a Business Day, the Investment Manager will calculate the average price of Bitcoin in U.S. dollars on the Exchanges over the relevant Business Day.

Persons interested in acquiring Shares will be furnished, and will be

required to complete and return to the Administrator, a Subscription Agreement and/or certain other documents as may be requested by the Investment Manager, in its sole discretion, for its initial and each additional subscription. The Subscription Agreement contains, among other provisions, certain representations, warranties, agreements, undertakings and acknowledgements relating to a prospective Shareholder's suitability to purchase Shares, the terms of the Shares, and other matters. Subscribers should understand that the Shares will be offered and sold in reliance upon the representations, warranties, agreements, undertakings and acknowledgements made by the subscriber in, and other information provided by the subscriber in connection with, the Subscription Agreement, and that such provisions may be asserted as a defense by the Fund and the Investment Manager in any action or proceeding relating to the offer and sale of Shares. Shareholders may be subject to contractual liability with respect to any breaches of such representations, warranties, agreements, undertakings and acknowledgements, and may be required to indemnify the Fund and /or the Investment Manager for any losses it incurs as a result of such breach, regardless of the limited liability status of the Fund.

The equity capitalization of the Fund and the acceptance of subscriptions will be determined by the Investment Manager, in its sole discretion, based on a number of factors, including the availability of investment opportunities. There are no minimum and maximum limitations on the amount of assets that may be managed by the Fund.

SALES CHARGES:

There will be no sales charges payable to the Investment Manager or its affiliates in connection with the offering of Shares. However, the Investment Manager, its affiliates and/or the Fund may enter into agreements with placement agents providing for one-time or ongoing payments from the Fund based upon the amount of a Shareholder's subscriptions or the Management Fees borne by a Shareholder that was introduced to the Fund by the placement agent.

REDEMPTIONS:

Voluntary Redemptions

Subject to the limitations on redemptions set forth herein, each Shareholder will have the right as of any Business Day (each day on which a redemption (or portion thereof) is effected, a "Redemption Date"), upon written notice to the Administrator, to request the redemption of all or a specified percentage of its Shares. It is generally anticipated that redemption notices received by the Administrator no later than 10 a.m. Pacific time on a Business Day will be satisfied as of the later of the Redemption Date requested in

such notices and the next Business Day following receipt of such notices, subject to the limitations on redemptions set forth herein.

A redemption notice will be irrevocable unless the Investment Manager, in its sole discretion, permits the redemption notice to be revoked.

Generally, all redemption requests received by the Administrator with respect to each Redemption Date will be satisfied on a *pro rata* basis based on the amount of each Shareholder's requested redemption as of such date. However, in the event that the aggregate redemption requests from the Fund and the Related Investment Vehicles on a Redemption Date cannot be satisfied (including due to any lending of Bitcoin by the Fund) as determined by the Investment Manager, in its sole discretion, the Investment Manager may execute the redemption as soon as possible thereafter. Redemption requests received by the Administrator will generally be satisfied on a *pro rata* basis, based on the net asset value of the redeeming Shareholder's Shares with respect to each Redemption Date. Redemption requests will be satisfied on a first-in, first-out basis by intended Redemption Date and, for the avoidance of doubt, redemption requests requested to be made with respect to a particular Redemption Date but delayed as described above (such requests, the "Delayed Redemptions") will have priority over any later redemption requests.

A redeeming Shareholder will be entitled to receive redemption proceeds based on the net asset value of such Shareholder's Shares as of the Redemption Date, based on Bitcoin price based on the TWAP set on the applicable Redemption Date.

In the case of Delayed Redemptions, the Investment Manager will determine the portion of such Delayed Redemptions (the "Subsequent Redeemed Amount") to be satisfied on each subsequent Redemption Date. The Investment Manager intends to liquidate Bitcoin in order to satisfy the portion of the redemption request(s) to be satisfied on a given Redemption Date (including any Subsequent Redeemed Amount designated for redemption on that Redemption Date); *provided*, that, in the Investment Manager's sole discretion, the Investment Manager may use subscription proceeds to satisfy redemption requests in lieu of liquidating Bitcoin. Cash proceeds from such liquidation shall be distributed to Shareholders to satisfy such redemption requests. Shareholders subject to Delayed Redemptions will remain invested in, and therefore still subject to the risks (including the credit, regulatory and operational risks of the exchange on which the Investment Manager sells the Bitcoin to satisfy the redemption requests) of, and liabilities owed to, the Fund.

The Redemption Date with respect to any redemption satisfied through sales of Bitcoin will be the day on which such Bitcoin are sold. For the avoidance of doubt, a Shareholder will be redeemed from the Fund only with respect to the portion of its redemption request that has been satisfied, either through the liquidation of Bitcoin or the offset of subscription proceeds, and shall remain a Shareholder in the Fund with respect to any remaining portion of its investment.

Thus, the TWAP on the date a redemption is requested may differ from the TWAP on the Redemption Date(s).

In the event that the Investment Manager determines to accept an in-kind contribution of Bitcoin from a Shareholder, such Shareholder may request that its redemption request be satisfied in kind up to the lesser of the number of Bitcoin contributed in kind by such Shareholder and the Bitcoin equivalent of the value (on an as-converted to-Bitcoin basis) of such Shareholder's Shares at the time of redemption, and the Fund will make an in-kind distribution in respect of such redemption request; *provided*, that the Fund is not restricted from doing so under applicable law or regulation, that the distribution is made to the same person that made the contribution, and subject to the limitations on redemptions set forth herein.

Suspension

The Investment Manager may suspend the determination of the net asset value of the Fund and the net asset value of each Shareholder's Shares, subscription rights, redemption rights, in whole or in part, and/or the payment of redemption proceeds in respect of voluntary redemptions in any circumstance, including, but not limited to, the following:

- (i) during any period when any exchange or over-the-counter market on which the Fund's investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended;
- (ii) during the existence of any state of affairs as a result of which, in the opinion of the Investment Manager, disposal of the Fund's assets, the payment of redemption proceeds, or the determination of the net asset value per Share, is not reasonably practicable or is reasonably expected to be prejudicial to the non-redeeming Shareholders or the Fund as a whole;

- (iii) during the existence of any state of affairs as a result of which disposal of a portion of the Fund's assets is restricted under applicable U.S. or non-U.S. laws or regulations;
- (iv) during any breakdown in the means of communication normally employed in determining the price or value of the Fund's assets or liabilities, or of current prices in any financial market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Fund cannot reasonably be promptly and accurately ascertained;
- (v) during any period when disposal of the Fund's assets, the payment of redemption proceeds, or the determination of the net asset value per Share would cause a breach or default under any covenant in any agreement entered into by the Fund;
- (vi) during any period when the Investment Manager has determined that the transfer of funds presents a risk of non-compliance with applicable law or regulation or there is any other issue associated with the transfer of funds; or
- (vii) during the period in which the Fund is winding down its business.

The Investment Manager will provide written notice to each affected Shareholder of a suspension of the calculation of net asset value of the Fund or any Shares, redemption rights and/or payment of redemption proceeds or suspensions of subscriptions with respect to investors that have submitted subscriptions for Shares. Upon the determination by the Investment Manager that the condition giving rise to a suspension has ceased to exist and no other condition under which suspension is authorized exists, such suspension will be lifted and written notice will be sent to the affected Shareholders regarding the lifting of such suspension and the next date as of which Shareholders will be permitted to redeem all or a specified percentage of their Shares.

Upon a suspension of redemption rights, all pending redemption requests will retain their priority in order of request, but no requests subsequently received will be accepted until such time as the Investment Manager permits Shareholders to submit redemption requests in anticipation of lifting the suspension.

In addition, the Investment Manager, by written notice to any Shareholder, may suspend or withhold payment of redemption proceeds to such Shareholder if the Investment Manager and/or the

Administrator reasonably deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Fund, the Investment Manager, the Administrator or any of the Fund's other service providers.

Soft Wind Down

If the Board of Directors, in consultation with the Investment Manager, decides that the investment program of the Fund is no longer viable, it may resolve that the Fund be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to Shareholders in such manner as they determine to be in the best interests of the Fund, in accordance with the terms of the Articles of Association and this Memorandum, including, without limitation, by compulsorily redeeming Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realized. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under the Companies Act or any other applicable bankruptcy or insolvency regime, but will be without prejudice to the right of the Shareholder(s) to place the Fund into liquidation.

Payment of Redemption Proceeds

Subject to the establishment of reserves or holdbacks (as described herein), payment of the amount redeemed generally will be made to a Shareholder without interest and within 10 Business Days of the applicable Redemption Date.

The Investment Manager may, in its sole discretion, make distributions in U.S. dollars or in Bitcoin, or in a combination thereof, in connection with a redemption of Shares by a Shareholder, pursuant to a required redemption, upon wind-down of the Fund, or as necessary for tax, regulatory or other reasons. (See "Certain Risk Factors — Risks Relating to the Structure of the Fund — In-Kind Payments".) The Investment Manager also may, in its sole discretion, make payments in U.S. dollars or in Bitcoin, or in a combination thereof, at any time to all of the Shareholders on a *pro rata* basis.

Required Redemptions

The Investment Manager may, in its sole discretion, compulsorily redeem all or any portion of a Shareholder's Shares at any time, for any reason or no reason, with or without prior notice. The Shareholder receiving such notice will be treated for all purposes and in all respects as a Shareholder who has given notice to redeem such

Shares.

The Investment Manager may, in its sole discretion, modify or waive any or all of the redemption terms with respect to any Shareholder or Tranche.

**NET ASSET VALUE
CALCULATIONS**

The net asset value for purposes of determining subscriptions, redemptions, Management Fees and Realization Fees, will be based on Bitcoin priced at TWAP.

However, the net asset value reported in the Fund's annual audited financial statements will be determined in accordance with U.S. generally accepted accounting principles ("GAAP") and will be calculated based on the price of Bitcoin set by the Exchange representing the principal market, in the Investment Manager's sole discretion, on the last day of each Fiscal Year.

Thus, the net asset value used for purposes of calculating subscription or redemption valuations, Management Fees and Realization Fees and reflected in each Shareholder's net asset value statements may differ from the net asset value reflected in the Fund's annual audited financial statements.

**NET ASSET VALUE
ADJUSTMENTS**

If at any time the Investment Manager determines, in its sole discretion, that a materially incorrect number of Shares was issued to a Shareholder because the net asset value in effect on the date of issuance was incorrect, the Investment Manager will implement such arrangements as it determines, in its sole discretion, are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's Shares for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct net asset value. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption by a Shareholder from the Fund) the Investment Manager determines, in its sole discretion, that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was incorrect (including because the net asset value at which the Shareholder or former Shareholder purchased such Shares or at which the redemption was effected was incorrect), the Fund will pay such Shareholder or former Shareholder any additional amount that it determines such Shareholder or former Shareholder would have been entitled to receive had the redemption been effected at the correct net asset value, or, in its sole discretion, seek payment from such Shareholder or former Shareholder of (and

such Shareholder or former Shareholder shall be required to pay) the amount of any excess payment that the Investment Manager determines such Shareholder or former Shareholder received, in each case without interest.

REALIZATION FEES:

In consideration of the additional effort expended by the Investment Manager to satisfy redemptions, amounts distributed to Shareholders upon redemption (whether voluntary or compulsory), other than upon dissolution of the Fund, will be reduced by a realization fee ("Realization Fee") equal to 1.0% (with respect to Tranche A Shares). Tranche B Shares are not subject to a Realization Fee. The Investment Manager may, in its sole discretion, reduce or waive the Realization Fee with respect to any Shareholder or Tranche. The Realization Fee may be paid in Bitcoin or in its cash equivalent.

LIMITATIONS ON TRANSFERABILITY:

Without the prior written consent of the Board of Directors, which may be withheld in its sole discretion, a Shareholder may not (i) directly, indirectly or synthetically transfer, pledge, assign, hypothecate, sell, convey, exchange, reference under a derivatives contract or any other arrangement or otherwise dispose of or encumber all or any portion of its Shares to any other person (each, a "Transfer"), except by operation of law, or (ii) substitute for itself as a Shareholder any other person. Any attempted Transfer or substitution not made in accordance with the foregoing, to the fullest extent permitted by law, will be void.

MANAGEMENT FEE:

The Fund will pay to the Investment Manager a fee for investment management services (the "Management Fee") for each month equal to the aggregate of a daily accrual equal to 0.00205% (0.75% per annum) of the net asset value of Tranche A Shares (before taking into account any Investor-Related Taxes that are accrued but not yet paid as of the applicable calculation date) calculated as of the beginning of each day (including, for the avoidance of doubt, non-Business Days). The Tranche B Shares and Tranche C Shares are not subject to a Management Fee.

The net asset value for purposes of calculating the Management Fee will be based on Bitcoin priced at TWAP for the preceding day.

The Management Fee will be denominated and paid in U.S. dollars, but, to the extent practicable, may be paid to the Investment Manager in Bitcoin.

"Investor-Related Tax" means any tax withheld from the Fund or paid over by the Fund, in each case, directly or indirectly, with respect to or on behalf of a Shareholder or a direct or indirect

beneficial owner of the Fund, and interest, penalties and/or any additional amounts with respect thereto, including (i) a tax that is determined based on the status, action or inaction (including the failure of a Shareholder or a direct or indirect beneficial owner of the Fund to provide information to eliminate or reduce withholding or other taxes) of a Shareholder or a direct or indirect beneficial owner of the Fund, or (ii) an "imputed underpayment" within the meaning of Section 6225 of the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and any other similar tax, attributable to a Shareholder or a direct or indirect beneficial owner of the Fund, as determined by the Board of Directors in its sole discretion.

Payment of the Management Fee will be made upon redemption or within 10 days of the last day of each month.

In the sole discretion of the Investment Manager, the Management Fee may be waived, reduced or calculated differently with respect to the Shares of certain Shareholders, including, without limitation, Shareholders that are members, directors, shareholders, partners, affiliates or employees of the Investment Manager, members of the immediate families of such persons and trusts or other entities for their benefit.

EXPENSES.

Expenses of the Investment Manager

In consideration for the Management Fee, the Investment Manager will provide office space and utilities; quotation and computer equipment; software; certain administrative services; and secretarial, clerical and other personnel to the Fund. The Investment Manager will bear the costs of providing such goods and services, and all of its own overhead costs and expenses.

Expenses of the Fund

The Fund will bear its own expenses including, without limitation, the Management Fee; investment expenses, whether or not such investments are consummated; costs related to the acquisition, disposition, lending and custody of Bitcoin (including, but not limited to, third-party wallet providers); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments and operations of the Fund; fees and expenses relating to software tools, programs or other technology utilized in managing the Fund (including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs); costs incurred in attending seminars

and conferences related to Bitcoin; research and market data (including, without limitation, any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including, without limitation, fees and expenses of the Administrator); directors' and officers' (including any AML Officers) fees and expenses; costs related to liability insurance for the Board of Directors; expenses related to any Shareholder meetings; legal expenses; external accounting and valuation expenses (including, without limitation, the cost of accounting software packages); audit and tax preparation expenses; costs related to insuring the Investment Manager and certain of its affiliates against risks related to the management or operation of the Fund; costs of printing and mailing reports and notices; taxes; corporate licensing; regulatory expenses (including, without limitation, filing fees); organizational expenses; expenses incurred in connection with the offering and sale of the Shares and other similar expenses related to the Fund; indemnification expenses; and extraordinary expenses. Generally, Fund expenses, other than the Management Fee and any expenses which the Board of Directors determines in its sole discretion should be allocated to a particular Shareholder or Shareholders (including Investor-Related Taxes), will be charged against the Shares of all the Shareholders on a *pro rata* basis. To the extent that expenses to be borne by the Fund are paid by the Investment Manager, the Fund will reimburse such party for such expenses.

The Investment Manager may, in its sole discretion, purchase insurance to protect the Fund against the loss of Bitcoin if such insurance is available. The cost of such insurance, if any, would be borne by the Fund.

If the Investment Manager appoints an Advisory Committee, such Advisory Committee may approve related party transactions and other matters related to the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), such as a change in control of the Advisor, and its approval of such transactions and matters will be binding on the Shareholders. (See "Certain Risk Factors – Advisory Committee".)

If any of the expenses listed above are incurred for the account of the Fund as well as for any Other Accounts, such expenses will be allocated among the Fund and such Other Accounts in proportion to the size of the investment made by each to which such expense relates, or in such other manner as the Board of Directors considers fair and equitable.

Organizational and Offering Expenses

The Investment Manager may pay or advance to the Fund funds to pay for the Fund's organizational expenses and expenses incurred in connection with the initial offering and sale of the Shares and other similar expenses related to the Fund. The Investment Manager is entitled to reimbursement from the Fund of all such funds.

BORROWING:

The Fund may borrow for cash management purposes, such as to execute trades on an Exchange while funds are being transferred to such Exchange. The Investment Manager and any affiliates of the Investment Manager may lend such amounts to the Fund, subject to an aggregate limit of 5% of the Fund's net asset value at the time of borrowing. Any such loans will bear a market interest rate as determined by the Investment Manager, in its sole discretion.

NET ASSET VALUE:

The net asset value of a Tranche of Shares will be equal to the excess of the value of the assets over the value of the liabilities attributable to such Tranche as of any date of determination (the "net asset value"). The net asset value per Share of a Tranche is determined by dividing the net asset value of each Tranche by the number of Shares thereof (the "net asset value per Share"). The net asset value of the Fund or a Tranche of Shares will generally be determined daily and at such other times as determined by the Board of Directors.

The net asset value, for purposes of subscriptions and redemptions, will be calculated incorporating Bitcoin priced at TWAP with respect to each Business Day.

Any changes to the number of exchanges used in determining the Bitcoin value must be approved by the Investment Manager. (See "Other Activities of Management; Potential Conflicts of Interest — Valuation.")

Liabilities will be determined by the Investment Manager in a manner it deems to be fair and reasonable, applied on a consistent basis. The Board of Directors in its sole discretion may establish reserves and holdbacks for estimated accrued expenses, liabilities or contingencies, including, without limitation, general reserves and holdbacks for unspecified contingencies and the Investment Manager may establish appropriate reserves upon a redemption by a Shareholder.

FISCAL YEAR:

The fiscal year of the Fund (the "Fiscal Year") ends on December 31 of each year.

TAXATION

The Fund intends to operate as a partnership and not as an association (or as a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes. Accordingly, the Fund does not generally expect to be subject to U.S. federal income tax (other than certain withholding regimes), and each Shareholder will be required to report on its own annual income tax return such Shareholder's distributive share of the Fund's taxable income or loss regardless of whether such Shareholder has received or will receive a distribution from the Fund. As a result, a Shareholder may have a tax liability for any year with respect to "phantom" income from the Fund without receiving a corresponding distribution from the Fund. (See "Tax Aspects")

Cayman Islands Taxation

The Fund is an exempted company under Cayman Islands law. The Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 20 years from the date of such undertaking no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on the profits, income, gains or appreciations shall apply to the Fund or its operations.

ERISA:

Entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), may purchase Shares. Investment in Shares by entities subject to ERISA requires special consideration. Trustees or administrators of such entities are urged to carefully review the matters discussed in this Memorandum. The Fund does not intend to permit investments by Benefit Plan Investors to equal or exceed 25% (or such greater percentage as may be provided in regulations promulgated by the DOL) of the value of any class of equity interests in the Fund. (See "ERISA Considerations".)

For the avoidance of doubt, to comply with the DOL regulations outlined above, the Fund may limit subscriptions by Benefit Plan Investors or redemptions by non-Benefit Plan Investors.

SUITABILITY REQUIREMENTS:

Each Shareholder generally must be either (i) a non-U.S. Person or (ii) a U.S. Person that qualifies as an "accredited investor", as defined in Regulation D under the Securities Act, and either a "qualified purchaser", as defined in the Company Act, or a "knowledgeable employee", as defined under Rule 3c-5 of the Company Act, and must meet other suitability requirements. The Subscription Agreement contains representations and questionnaires relating to these qualifications.

The Board of Directors may, in its sole discretion, decline to accept the subscription of any prospective investor that does not meet such suitability requirements, or for any other reason or for no reason. (See "Suitability Requirements".)

REPORTS:

Within 120 days after the end of each Fiscal Year or as soon as reasonably practicable thereafter, the Fund will prepare and mail to each Shareholder audited financial statements of the Fund. The Fund will also provide electronically periodic monthly unaudited performance information to the Shareholders.

SUBSCRIPTION FOR SHARES:

Persons interested in subscribing for Shares will be furnished, and will be required to complete and return to the Administrator, a Subscription Agreement and items relating thereto as outlined in the subscription documents.

RELATED INVESTMENT VEHICLES

To seek to accommodate or mitigate the legal, tax, regulatory or other investment requirements of certain prospective investors, the Investment Manager may create one or more entities (including vehicles formed to facilitate investment by employees of the Investment Manager or its affiliates) to invest alongside the Fund or one or more entities that will serve as "feeder" entities, including the Feeder Fund, through which investors will indirectly invest in the Fund (each, a "Related Investment Vehicle"), and may establish one or more classes of shares of the Fund or any Related Investment Vehicle in connection therewith. The terms and conditions of an investment in a Related Investment Vehicle will be made available to investors in a separate offering memorandum, or a supplement to this Memorandum, once the Investment Manager has determined to establish such Related Investment Vehicle. To accommodate various tax and regulatory needs of prospective investors, in addition to the Fund, the Investment Manager currently intends to create several Related Investment Vehicles to invest in parallel and/or in partially overlapping investment programs with the Fund.

Without the consent of any Shareholder, the Investment Manager may determine to utilize an alternative structure in which the Fund serves as a "feeder" entity into a "master fund", the Fund will invest substantially all of its assets in such master fund, investments will generally be made by such master fund, and certain fees and expenses currently paid by the Fund (including the Management Fee and Realization Fee) may instead be paid by such master fund; *provided*, that the use of any alternative structure will not result in increased fees being paid to the Investment Manager or its affiliates.

INVESTMENT PROGRAM

The Fund will invest substantially all of its assets in Bitcoin. The Fund will only take immediate delivery of Bitcoin. The Fund will not trade, buy, sell or hold Bitcoin derivatives for any purpose. Transactions in Bitcoin will not be made on a leveraged, margined, or offer-financed basis. Through the investment program, Shareholders in the Fund may indirectly participate in the Bitcoin market without owning or controlling specific Bitcoin. The Fund may engage in Bitcoin lending transactions, in the sole discretion of the Investment Manager.

The Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Fund will be achieved. (See "Certain Risk Factors".)

MANAGEMENT

The Investment Manager

As discussed above, in its capacity as investment manager of the Fund, the Investment Manager acts solely on behalf of the Fund. The Investment Manager may, in the future, establish feeder funds that invest through the Fund and/or may establish investment vehicles that invest on a *pari passu* basis with the Fund.

Regulatory Status of the Advisor

Pantera Advisors LLC ("Pantera Advisors"), an affiliate of the Investment Manager, is currently registered with the SEC as an investment adviser under the Advisers Act and the Investment Manager is included in Item 7.A. of Pantera Advisors' Form ADV as an "advisory affiliate" of Pantera Advisors. Additional information about the Investment Manager is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Personnel of the Investment Manager

Set forth below is biographical information of the Principal and other personnel of the Investment Manager:

Daniel W. Morehead

Mr. Morehead is the Chief Executive Officer of the Investment Manager. Mr. Morehead founded Pantera Capital Management LP in 2003. He also co-founded and was CEO of Atriax, an electronic foreign exchange platform. Prior to that, he was head of macro trading and CFO at Tiger Management, global head of FX options at Deutsche Bank in London, and managed a global macro fund and derivatives trading units in North America and Japan at Bankers Trust. Mr. Morehead began his career at Goldman Sachs as a mortgage-backed securities trader. He graduated magna cum laude from Princeton University with a B.S. in Civil Engineering and received the Carmichael Prize for an outstanding thesis.

Paul Veradittakit

Mr. Veradittakit is a Partner of the Investment Manager. Prior to joining Pantera in 2014, Mr. Veradittakit worked at Strive Capital as an Associate focusing on investments in the mobile space. Previously, he was at Hatch Consulting and LECG and performed business development and marketing for Urban Spoils, an early stage startup in the daily deal aggregation space. Mr. Veradittakit graduated from the University of California, Berkeley with a B.A. in Psychology and a B.A. in Political Science.

Joey Krug

Mr. Krug is Co-Chief Investment Officer of the Investment Manager and joined in 2017. Prior to joining Pantera, Mr. Krug was Co-Founder and head of core development at Augur.net; built on the Ethereum blockchain, it is the world's first decentralized prediction market. He also serves as a Technical Advisor to Numerai, Tlon and 0x. Mr. Krug attended Pomona College where he studied Computer Science and was a recipient of the Thiel Fellowship.

Matt Gorham

Matt originally joined Pantera in 2005 as a global macro trader and risk analyst. Prior to rejoining Pantera in 2014, he was a portfolio analyst at Aperio Group, a quantitatively-oriented investment firm. He was also an equity trader at LPL Financial Services. Matt earned his B.A. in Economics from the University of California, Berkeley. He holds the Chartered Financial Analyst designation and is a member of the CFA Society of San Francisco.

Investment Management Agreement

The Board of Directors has appointed the Investment Manager pursuant to an investment management agreement with the Fund (the "Investment Management Agreement"), subject to the control of and review by the Board of Directors, *inter alia*, to invest the assets of the Fund in a manner consistent with the investment objective, approach and restrictions described in this Memorandum. Pursuant to the Articles of Association, the Board of Directors has delegated to the Investment Manager its authority to approve or deny subscriptions or redemptions.

The Investment Management Agreement will remain in effect until December 31, of each year, and will automatically renew from year to year thereafter, except that it may be terminated by any party upon at least 90 days' prior written notice by the terminating party to the other party.

Exculpation

The Investment Management Agreement provides that none of the Investment Manager or any of its affiliates or the members, partners, directors, shareholders, officers, employees and legal representatives (*e.g.*, executors, guardians and trustees) of any of them, persons formerly serving in such capacities (each, an "Indemnified Party") will be liable to any Shareholder or the Fund for any costs, losses, claims, damages, liabilities, expenses (including, without limitation, reasonable legal and other professional fees and disbursements), judgments, fines or settlements (collectively, "Indemnified Losses") arising out of, related to or in connection with any act or omission of such Indemnified Party taken, or omitted to be taken, in connection

with the Fund or the Investment Management Agreement, except for any Indemnified Losses arising out of, related to or in connection with any act or omission that is found by a court of competent jurisdiction upon entry of a final judgment rendered and unappealable or not timely appealed ("Judicially Determined") to be primarily attributable to the bad faith, gross negligence (as such term is defined under the laws of the State of Delaware, "Gross Negligence"), willful misconduct or actual fraud (as such term is defined under the laws of the State of Delaware, "Fraud") of such Indemnified Party. In addition, no Indemnified Party will be liable to any Shareholder or the Fund for any Indemnified Losses arising out of, related to or in connection with any act or omission taken, or omitted to be taken, by any broker or agent of the Fund if such broker or agent was selected, engaged or retained by such Indemnified Party directly or on behalf of the Fund in accordance with the standard of care set forth above. Any Indemnified Party may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialized, reputable, professional consultants in respect of affairs of the Fund and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such persons; *provided* that such persons will have been selected in accordance with the standard of care set forth above.

Indemnification

The Investment Management Agreement provides that, to the fullest extent permitted by law, the Fund will indemnify and hold harmless each Indemnified Party from and against any and all Indemnified Losses suffered or sustained by such Indemnified Party by reason of any act, omission or alleged act or omission arising out of, related to or in connection with the Fund or the Investment Management Agreement, or any and all claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative, which includes formal and informal inquiries and "sweep" examinations in connection with the Fund's investment activity), actual or threatened ("Proceedings"), in which an Indemnified Party may be involved, as a party or otherwise, arising out of, related to or in connection with such Indemnified Party's service to or on behalf of, or management of the affairs or assets of, the Fund, or which relate to the Fund, except for any Indemnified Losses that are Judicially Determined to be primarily attributable to the bad faith, Gross Negligence, willful misconduct or Fraud of such Indemnified Party. The Fund will also indemnify and hold harmless each Indemnified Party from and against any and all Indemnified Losses suffered or sustained by such Indemnified Party by reason of any acts, omissions or alleged acts or omissions of any broker or agent of the Fund; *provided* that such broker or agent was selected, engaged or retained by such Indemnified Party directly or on behalf of the Fund in accordance with the standard of care set forth above. The termination of a Proceeding by settlement or upon a plea of *nolo contendere*, or its equivalent, will not, of itself, create a presumption that such Indemnified Party's acts, omissions or alleged acts or omissions were primarily attributable to the bad faith, Gross Negligence, willful misconduct or Fraud of such Indemnified Party. Expenses (including, without limitation, legal and other professional fees and disbursements) incurred in any Proceeding will be paid by the Fund in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of such Indemnified Party to repay such amount if it will ultimately be determined that such Indemnified Party is not entitled to be indemnified by the Fund.

Notwithstanding any of the foregoing to the contrary, the provisions of the Investment Management Agreement will not be construed so as to provide for the exculpation or

indemnification of any Indemnified Party for any liability (including, without limitation, liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but will be construed so as to effectuate such provisions to the fullest extent permitted by law.

To the fullest extent permitted by law, each Shareholder will acknowledge and agree, in its Subscription Agreement, that the Fund will indemnify and hold harmless each Indemnified Party against any and all Indemnified Losses suffered or sustained by reason of any act, omission or alleged act or omission arising out of, related to or in connection with the Fund or any Proceedings in which an Indemnified Party may be involved, as a party or otherwise, arising out of, related to or in connection with the Fund, except for any Indemnified Losses that are Judicially Determined to be primarily attributable to the bad faith, Gross Negligence, willful misconduct or Fraud of such Indemnified Party.

The Board of Directors

As discussed above, the Fund is managed by the Board of Directors. The Directors' business experience are as follows:

Matt Gorham

Mr. Gorham originally joined Pantera in 2005 as a global macro trader and risk analyst. Prior to rejoining Pantera in 2014, he was a portfolio analyst at Aperio Group, a quantitatively-oriented investment firm. He was also an equity trader at LPL Financial Services. Mr. Gorham earned his B.A. in Economics from the University of California, Berkeley. He holds the Chartered Financial Analyst designation and is a member of the CFA Society of San Francisco.

Ryan Davis

Mr. Davis joined Pantera in 2018 as Chief Financial Officer, a role in which he oversees all finance and accounting across the firm's various fund strategies. He previously served as the CFO of Echelon Asset Management, an online marketplace lending platform that manages a half-billion dollars, and as Vice President of Finance at Lightspeed Venture Partners. Mr. Davis began his career in Fund Management and Investor Relations at Bridgewater Associates. He graduated from Cal Poly, San Luis Obispo with a B.A. in Economics.

Scott Lennon

Mr. Lennon is the Managing Director and Principal at 19 Degrees North Fund Services Ltd., a Company Manager regulated by the Cayman Islands Monetary Authority and specialist fiduciary services firm that he founded in December 2011. Mr. Lennon has over 20 years of experience in the global investment funds industry. Prior to founding 19 Degrees North, Mr. Lennon was the Head of Fund Services at Walkers Fund Services Limited, a Cayman Islands licensed Trust Company and Mutual Fund Administrator. Up to 2003, Mr. Lennon was the Head of Investment Fund Services at State Street Cayman Trust Company Ltd. ("State Street"). Prior to joining State Street, in 2001 Mr. Lennon was the Head of Investment Fund Services at Deutsche Bank (Cayman Islands) Ltd. where he led the team that was responsible for the administration of

a portfolio of 60 funds with assets in excess of US\$7 Billion. Prior to heading Deutsche Bank's Offshore operation in the Cayman Islands in 1997, Mr. Lennon was a Manager in the Alternative Investments Group at KPMG in the Cayman Islands. Prior to Mr. Lennon's arrival in the Cayman Islands in 1997, he resided in Montreal, Canada, where he worked at both KPMG and Deloitte & Touche. Mr. Lennon is a member of the Institute of Chartered Accountants of Ontario (Canada), the American Institute of Certified Public Accountants, and he is a Chartered Financial Analyst charterholder. Mr. Lennon received a Graduate Diploma in Public Accounting from McGill University, Montreal, Canada and a Bachelor of Commerce (Honours) from Carleton University in Ottawa, Canada. Mr. Lennon is an approved Principal with the National Futures Association and he has held appointments on entities that are registered with the Securities and Exchange Commission. Mr. Lennon is a member of the Executive Committee of the Cayman Islands Directors Association and a former member of the Board of Directors of the Cayman Islands Society of Financial Analysts. Mr. Lennon has provided fiduciary services in the investment funds industry for over 10 years and currently holds directorships on a myriad of investment funds covering a wide range of strategies and objectives.

Lisa Volekaert

Lisa Volekaert is a director of 19 Degrees North Fund Services Ltd., a Company Manager regulated by the Cayman Islands Monetary Authority and specialist fiduciary services firm. Lisa has worked in the global investment funds industry for over 25 years.

Prior to joining 19 North FS, Lisa served as Senior Vice President at Walkers Fund Services Limited (acquired by Intertrust), a Cayman Islands licensed Trust Company and Mutual Fund Administrator. During her tenure at Walkers Fund Services Limited, Lisa held directorships on investment funds and other vehicles covering a broad range of investment strategies and platforms.

Lisa was the Chief Financial Officer for Accelerated Capital Investments Ltd., a family owned investor and public relations company in Ontario, Canada before joining Walkers Fund Services Limited in 2006.

Prior to her position at Accelerated Capital Investments Ltd., Lisa was Vice President and Senior Account Manager, Global Fund Services, at the Bank of Bermuda Ltd. (HSBC Group) in Hamilton, Bermuda. There, Lisa was instrumental in building and managing strategic relationships for a number of significant mutual and hedge fund clients. In this role, she led a team that was responsible for the accurate and timely delivery of full fund administration services to a variety of convertible, private equity, hedge and fund-of-fund clients.

Lisa also has significant risk-based audit and tax experience. While at the Bank of Bermuda Ltd., Lisa was responsible for conducting risk-based financial and operational audits covering all departments within the Bank, both locally and internationally. Additionally, prior to joining the Bank of Bermuda Ltd. in 1997, Lisa worked at Deloitte in Ontario, Canada for 8 years where she held various audit and tax roles, including that of Tax Manager.

Lisa is a member of the Chartered Professional Accountants of Ontario (formerly The Institute of Chartered Accountants of Ontario, Canada), a Chartered Financial Analyst (CFA)

charterholder, a member of the CFA Institute, and a member of the Cayman Islands Directors Association. Lisa received a Bachelor of Business Administration degree (with Co-op Accounting Option) (with Honours) from Brock University in Ontario, Canada.

Having worked in Bermuda and the Cayman Islands for nearly 20 years collectively, Lisa has gained extensive experience in the offshore financial industry, a comprehensive understanding of the markets and a command of varying types of hedge fund strategies. Lisa applies this valuable experience and jurisdictional knowledge to her current portfolio of directorships.

Glenn Kennedy

Glenn Kennedy is the founder of Leeward Management Limited. He serves as an advisor to, and independent board member of Cayman Islands investment funds and their managers. In these roles, his focus is on corporate governance and legal and compliance matters, bringing over 20 years' experience with fund formation, operations, regulatory and business law to his client boards.

Mr. Kennedy previously served as General Counsel of a listed European fund management group, during which time he implemented an innovative, first-of-its-kind restructuring of a group of distressed Cayman Islands hedge funds, pioneering a restructuring model which was later adopted by many distressed funds during the 2008-09 financial crisis. He subsequently served as a special advisor to an investor's committee on value recovery related matters.

Previously, Mr. Kennedy was an associate attorney with the Cayman Islands office of a multi-jurisdictional offshore law firm as part of the firm's investment funds team, and was prior to that an equity partner with a Toronto, Canada based business law firm, where he practiced in the areas of corporate law and investment funds.

Mr. Kennedy holds Bachelor of Laws and Bachelor of Arts degrees from the University of Manitoba, Canada. Glenn is a Professional Director registered pursuant to the Directors Registration and Licensing Law, 2014. He holds Canadian, United Kingdom and British Overseas Territories citizenship, and is a permanent resident of the Cayman Islands.

The Fund reimburses the Directors for expenses incurred in the performance of their duties (including, without limitation, reasonable traveling, hotel and other related expenses properly incurred in attending meetings held in connection with the business of the Fund).

The Articles of Association contain provisions for the limitation of liability and the indemnification out of the assets of the Fund of the Fund's Directors and officers (and other persons), in the absence of willful default or actual fraud by the Directors or officer, to the extent permitted by law, against any loss, cost, expense or liability incurred by any Director or officer by reason of such Director or officer being or having been such a Director or officer. Further provisions regarding the Directors are included in the Articles of Association.

The Directors may appoint alternates who may attend Board meetings in their absence. The Board of Directors may delegate ordinary course decisions to the Investment Manager (e.g., lowering the minimum subscription amount (subject to the absolute minimum set out herein), allowing revocation of any redemption request, waiving the notice requirement for a redemption, permitting transfers of Shares and rejecting subscriptions).

Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund to be dealt with. None of the Fund, its directors, officers, advisers or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

CERTAIN RISK FACTORS

Prospective Shareholders should carefully consider the risks involved in an investment in the Fund, including, without limitation, those discussed below. Additional or new risks not addressed below may affect the Fund. The following list of risk factors cannot be and is not intended to be exhaustive. Prospective Shareholders should consult their own legal, tax and financial advisers about the risks of an investment in the Fund. The following risk factors and other relevant risks could have a material adverse effect on the Fund and the Shareholders' investments therein.

Risks Relating to Private Investment Funds Generally

Legal and Regulatory Environment for Private Investment Funds and their Managers. The legal, tax and regulatory environment worldwide for private investment funds (such as the Fund) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Fund to pursue its investment program and the value of investments held by the Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund to pursue its investment program or employ counterparties or service providers (e.g., Bitcoin custodians) could have a material adverse effect on the Fund and the Shareholders' investments therein.

Alternative Investment Fund Managers Directive. The Alternative Investment Fund Managers Directive (the "AIFM Directive") regulates: (i) alternative investment fund managers (each, an "AIFM") based in the European Economic Area (the "EEA") or the United Kingdom (the "UK"); (ii) the management of any alternative investment fund ("AIF") established in the EEA or the UK (irrespective of where an AIF's AIFM is based); and (iii) the marketing of any AIF, such as the Fund, to professional investors in the EEA or the UK.

Under the AIFM Directive, certain conditions must be met to permit the marketing of the Shares to any potential and existing investors in the EEA or the UK. The ability of the Fund or the Investment Manager to offer the Shares in the EEA or the UK will depend on the relevant state permitting the marketing of non-EEA or UK domiciled funds under the national private

placement regimes implementing the AIFM Directive and the ability of the Fund and the Investment Manager to comply with such national private placement regimes, where available. Compliance with the requirements of such regimes may increase the costs of the administration of the Fund significantly, including the costs of regulatory reporting, custody and other services provided to the Fund. As such, the Fund's ability to market the Shares to EEA or UK investors may be limited.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearinghouses, banks, securities firms and exchanges with which the Fund interacts, as well as the Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets in which the Fund seeks to invest. The Fund's investment program, which focuses on Bitcoin, involves new types of financial intermediaries the systemic risk of which may be less correlated to broader markets.

Historical Liabilities of the Fund. From 2004 to 2008, the Fund made investments by employing a macroeconomic, fundamental strategy to invest in foreign exchange positions on behalf of third-party investors. From 2008 to June 2013, the Fund ceased to make investments on behalf of third-party investors, and made investments in forex and other assets on behalf of the Principal. The Fund may be subject to liabilities from these prior activities, regardless of whether the liabilities are related to the Fund's current investment strategy.

Recourse to the Fund's Assets. The Fund's assets, including any investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund, including any historical liabilities of the Fund existing prior to the commencement of the Fund's Bitcoin investment strategy. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the investment giving rise to the liability.

Risks Relating to Management

Limited Operating History. Each of the Fund and the Investment Manager has a limited operating history upon which current and prospective Shareholders can evaluate their anticipated performance.

Dependence on the Investment Manager. The success of the Fund is dependent upon the ability of the Investment Manager to manage the Fund and effectively implement the Fund's investment program. The Fund's governing documents do not permit the Shareholders to participate in the management and affairs of the Fund. If the Investment Manager were to lose the services of the Principal or the Fund or any of the Other Accounts managed by the Investment Manager were to incur substantial losses, the Investment Manager might not be able to provide the same level of service to the Fund as it has in the past or continue operations. The loss of the services of the Investment Manager could have a material adverse effect on the Fund and the Shareholders' investments therein.

Dependence on Counterparties and Service Providers. The Fund is also dependent upon its counterparties (including Bitcoin custodians, wallet providers and exchanges) and the businesses that are not controlled by the Investment Manager that provide services to the Fund (the "Service Providers"). Errors are inherent in the business and operations of any business, and although the Investment Manager will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. In particular, the Fund's technology diligence on certain Bitcoin counterparties may not identify all security vulnerabilities and risks, which is especially pertinent given the limited (but growing) number of viable Bitcoin counterparties. Any errors or misconduct could have a material adverse effect on the Fund and the Shareholders' investments therein.

As the Fund has no employees, the Fund is reliant on the performance of the Service Providers. Each Shareholder's relationship in respect of its Shares is with the Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to its services to the Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant Service Provider is, prima facie, the Fund.

Retention and Motivation of Key Employees. The success of the Fund is dependent upon the talents and efforts of highly skilled individuals employed by affiliates of the Investment Manager and such affiliates of the Investment Manager's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the affiliates of the Investment Manager's investment professionals will continue to be associated with the Investment Manager throughout the life of the Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on the Fund and the Shareholders' investments therein. Competition in the financial services industry for qualified employees (especially in the intersection of technology and finance) is intense and there is no guarantee that, if lost, the talents of the affiliates of the Investment Manager's investment professionals could be replaced.

Misconduct of Employees and Service Providers. Misconduct by employees of the Investment Manager or its affiliates or by Service Providers to the Fund could cause significant losses to the Fund. Employee misconduct may include binding the Fund to transactions that present unacceptable risks and unauthorized activities, concealing unsuccessful activities (which, in either case, may result in unknown and unmanaged risks or losses) and misappropriating Bitcoin. Losses could also result from actions by Service Providers, including failing to record transactions or improperly performing custodial, administrative and other responsibilities. In addition, employees and Service Providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including the loss of Bitcoin. There can be no assurance that the measures that the Fund, the Investment Manager and their affiliates expect to implement to prevent and detect employee misconduct and to select reliable third-party service providers will be effective in all cases.

Increased Regulatory Oversight. Increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of, and changes in law

applicable to, private investment funds and their managers, especially with respect to private investment funds investing in cryptocurrencies (such as the Fund) and their managers (such as the Investment Manager), may impose administrative burdens on the Investment Manager, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Investment Manager's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Effect of Substantial Losses or Redemptions. If, due to extraordinary market conditions or other reasons, the Fund and other private investment funds managed by the Investment Manager were to incur substantial losses or were subject to an unusually high level of redemptions, the revenues of the Investment Manager may decline substantially. Such losses and/or redemptions may hamper the Investment Manager's ability to (i) retain employees, (ii) provide the same level of service to the Fund as it has in the past, and (iii) continue operations. In the event that redemptions are delayed, the pricing of redemption proceeds may be set for a portion of the Delayed Redemption, while the other portion may remain in the Fund and continue to be at risk.

Risks Relating to the Structure of the Fund

Significant Fees and Expenses. The fees and expenses of the Fund may be significant. The Fund must generate sufficient income to offset such fees and expenses to avoid a decrease in the net asset value of the Fund.

Absence of Regulatory Oversight. The Fund and the Shares are not expected to be registered under the securities laws of the United States or any other jurisdiction other than the Cayman Islands. In particular, the Fund will not be registered as an investment company under the Company Act, and, therefore, will not be required to adhere to the restrictions and requirements under the Company Act. Accordingly, the provisions of the Company Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of securities, prohibit the investment companies from engaging in certain transactions with its affiliates and regulate the relationship between advisers and investment companies) are not applicable.

The Fund is regulated as a mutual fund under the Mutual Funds Act. However, registration under the Mutual Funds Act does not involve an examination of the merits of the Fund or supervision of the investment performance of the Fund by the Cayman Islands government or the Monetary Authority. There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favor of or available to the investors in the Fund.

Payment of Redemption Proceeds to Shareholders Based on Unaudited Data. The calculation and payment of a Shareholder's redemption proceeds may be based on estimated and unaudited data. Accordingly, adjustments and revisions may be made to the Fund's net asset value following the year-end audit of the Fund. The Fund will not make any revision to a Shareholder's redemption proceeds based upon audit adjustments. Thus, the Fund will not seek

reimbursement in the event of any overpayment and will not pay additional amounts in the event of an underpayment.

Indemnification and Exculpation. The Fund will indemnify certain persons as described under "Indemnification" above. Although Investors will not be individually obligated with respect to such indemnification beyond the amount of their investments or any distributions thereon, such liabilities may be material and may have an adverse effect on the returns to the Investors. Furthermore, the Fund's governing documents limit the circumstances under which Indemnified Parties may be held liable to the Fund or the Investors. As a result, the Fund and the Investors may have a more limited right of action in certain cases than they would in the absence of such a limitation.

Timing of Admission to the Fund. Some of the transactions in which the Fund will engage will be consummated in global markets. In some cases, funds transmitted from the Fund's subscription accounts to counterparties in a non-US market may not arrive on the same Business Day. An investor will be deemed to be a Shareholder of the Fund when all or a portion of its subscription amount leaves the Fund's subscription account, but the net asset value of such Shareholder's Shares will be determined on the earlier of the day its subscription amount arrives at such counterparty and two Business Days after it left the subscription account.

Redemptions by the Investment Manager and its Affiliates. The Investment Manager or its affiliates, principals and employees may, from time to time, have significant investments in the Fund. There are no restrictions on the ability of such persons to redeem their Shares in the Fund, beyond those applicable to other Shareholders. In the event that the Investment Manager and its affiliates and employees redeem their interests in the Fund, other Shareholders in the Fund would not receive notice of such redemptions (either before or after redemption). Such redemptions may accelerate the realization of taxable income and/or gains to Shareholders, in each case to the extent that the Fund is required to sell investments at times when it would not otherwise do so. (See also "Certain Material U.S. Federal and State Income Tax Consequences.")

Activities of and Benefits to the Principal. The Principal and his affiliates have in the past and intend in the future to invest in companies and businesses in the digital currency industry. The Fund's activities are generally expected to create value for, and otherwise facilitate, other activities of the Principal in the digital currency industry. The Fund and its Shareholders will not share in any such benefit. Except as required by law, the Principal and his affiliates will not seek approval from the Fund prior to engaging in such investments. (See "Other Activities of Management; Potential Conflicts of Interest".)

In addition, the Principal and/or his principals, employees or affiliates may trade in Bitcoin and/or other alternative currencies outside of the Fund, which may conflict or compete with the Fund, including by buying or selling Bitcoin when the Fund is doing the opposite.

Advisory Committee. The Fund, in the Investment Manager's discretion, may establish an advisory committee, composed of representatives of certain Shareholders (the "Advisory Committee"), to review certain matters in respect of the Fund and decisions of the Investment Manager, including certain potential conflicts of interest referred to it by the

Investment Manager, and certain matters under the Advisers Act. The Advisory Committee will act by majority vote.

Certain transactions that involve conflicts of interest, including principal trades, may be submitted to the Advisory Committee. However, the Advisory Committee will not necessarily represent the interests of all the Shareholders and the members of the Advisory Committee may themselves be subject to various conflicts of interest (including as investors in other entities related to or advised by the Investment Manager). In general, the Shareholders will not be entitled to control the selection of Advisory Committee members or to review the actions or deliberations of the Advisory Committee. In addition, Advisory Committee members have no fiduciary obligations to the Fund or its Shareholders other than to act in good faith and, therefore, Advisory Committee members may take into consideration their own interests in a particular matter and are not required to take into consideration the interests of the Fund or any of the other Shareholders.

Limited Liquidity. Though the Fund generally has daily liquidity, an investment in the Fund may have limited liquidity in certain circumstances, including when a Shareholder's redemption request is delayed (e.g., due to any lending of Bitcoin by the Fund) or during a suspension of the Fund's redemption rights, as described herein. If the Investment Manager is unable to sell sufficient Bitcoin to satisfy a redemption request, a Shareholder's redemption request may remain in the Fund for an extended period of time.

In-Kind Payments. Although the Fund intends to pay redemptions in U.S. dollars (*i.e.*, fiat currency), the Investment Manager may, in its sole discretion, determine to pay redemptions in Bitcoin (in whole or in part) if the Investment Manager determines that doing so is in the best interests of the Fund, or addresses a specific Fund need. There can be no assurance that the Fund will have sufficient cash (or Bitcoin) to satisfy redemption requests, or that it will be able to liquidate investments at favorable prices at the time such redemptions are requested. Investments distributed in kind may include interests in special purpose vehicles established by the Fund for tax, regulatory or other reasons. The risk of loss and delay and expense relating to liquidating or transferring these securities will be borne by such Shareholders, with the result that such Shareholders may receive less cash than they would have otherwise received on the date of redemptions. Shareholders have no right to request in-kind distributions, and should not expect the Fund to accommodate any such request. Notwithstanding the foregoing, in the event that the Investment Manager determines to accept an in-kind contribution of Bitcoin from a Shareholder, such Shareholder may request that its redemption request be satisfied in-kind and the Fund will make an in-kind distribution in respect of such redemption request; *provided*, that the Fund is not restricted from doing so under applicable law or regulation, that the distribution is made to the same person that made the contribution, and subject to the limitations on redemptions set forth herein.

Risks Relating to the Operations and Investment Activities of the Fund

Systems and Operational Risks. The Fund depends on the Investment Manager to develop and implement appropriate systems for the Fund's activities. The Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, the Fund relies on

information systems to store sensitive information about the Fund, the Investment Manager, their affiliates and the Shareholders. Certain of the Fund's and the Investment Manager's activities will be dependent upon systems operated by third parties, including the Administrator, third-party wallet provider, market counterparties and other service providers, and the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Investment Manager, the Administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. In addition, despite the security measures established by the Investment Manager and third parties to safeguard the information in these systems, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein. Disruptions in the Fund's operations or breach of the Fund's information systems may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Shareholders' investments therein.

Cybersecurity Risk. As part of its business, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of the Shareholders. Similarly, Service Providers of the Investment Manager, the Fund, especially the Administrator, may process, store and transmit such information. The Investment Manager has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to the Shareholders may also be susceptible to compromise. Breach of the Investment Manager's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed.

The Service Providers of the Investment Manager, the Fund are subject to the same electronic information security threats as the Investment Manager. If Service Providers fail to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Manager's or the Fund's proprietary information may cause the Investment Manager or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory

intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Shareholders' investments therein.

Audits of Cryptocurrency Funds. Audits for investment funds holding cryptocurrencies are unlike audits for other types of investment funds. Special procedures must be taken to assess whether investments and transactions are properly accounted for and valued because independent confirmation of cryptocurrency ownership (e.g., ownership of a balance on a cryptocurrency exchange) differs dramatically from traditional confirmation with a securities broker or bank account. The Fund, the Investment Manager and the Administrator will need to have satisfactory processes in place in order for the Auditor to obtain the Fund's transaction history and properly prepare audited financials. Any breakdown in such processes may result in delays or other impediments of an audit. In addition, the complexity of cryptocurrencies generally may lead to difficulties in connection with the preparation of the Fund's audited financials.

Macroeconomic Factors; Assumption of Catastrophe Risks. The performance of the Fund's investments could be adversely affected by macroeconomic factors. Such macroeconomic factors include incidents of terrorism and similar events and recent and proposed changes to laws and regulations affecting the cryptocurrency and financial industry. The performance of the Fund's investments could also be adversely affected by various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics.

Coronavirus Risks. In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, surfaced in Wuhan, China. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. The short-term and long-term impact of COVID-19 on the operations of the Investment Manager and the performance of the Fund is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Fund.

Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments. In order to avoid a U.S. withholding tax of 30% on certain payments (which might in the future include payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Fund has registered with the Service and generally will be required to identify, and report information with respect to, certain direct and indirect U.S. account holders (including debtholders and equityholders). The Cayman Islands has signed a Model 1B (non-reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Fund complies with the US IGA and the enabling Cayman Islands legislation, it will not be subject to the related U.S. withholding tax.

A non-U.S. investor in the Fund will generally be required to provide to the Fund information which identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the Cayman Islands Tax Information Authority or its delegate (the "Cayman TIA"). The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Fund or timely register and identify, or report information with respect to, such account holders (as applicable) may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Fund or its agents may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

Governmental Entity Investors. Governmental entities, including pension plans maintained by governmental agencies and instrumentalities, may invest in the Fund. Such investors may be subject to laws that affect the applicability or enforcement of certain terms generally governing the Fund. For example, exculpation, indemnification, confidentiality, choice of law and choice of venue provisions may be applied differently with respect to such investors. In addition, investment in the Fund by certain governmental entities may subject the Fund and/or the Investment Manager to increased regulatory burdens and public disclosures about the Fund, its investors and its activities.

Risks Relating to Investment Strategy

Single Purpose. Other than cash held for working capital purposes, the Fund will invest solely in Bitcoin (any may engage in Bitcoin lending transactions), which is a highly speculative asset. The Bitcoin held by the Fund are commingled and investors have no specific rights to any specific Bitcoin. In the event of the Fund's insolvency, its assets may be inadequate to satisfy a claim by the Fund or an investor. The timing of the Fund's acquisition and disposition of Bitcoin will be affected by the timing of subscriptions and redemptions. The Fund will not take any steps to minimize volatility or manage risk. No guarantee or representation is made that the Fund's investment program will be successful. Bitcoin are extremely volatile and investment results may vary substantially over time. ***No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.*** *Past investment results of the Investment Manager (or investments otherwise made by the investment professionals of the Investment Manager) are not necessarily indicative of their future performance.*

Risk of Total Loss of Capital. While all investments risk the loss of capital, investments in Bitcoin should be considered substantially more speculative and significantly more likely to result in a total loss of capital than most other investment funds. The Investment Manager will not attempt to mitigate the potential of loss of capital through the use of risk management

techniques. Rather, the Investment Manager generally intends only to sell Bitcoin when such sales are necessary in order to satisfy shareholder redemption requests. Furthermore, the Investment Manager does not intend to hedge potential losses and will not make investment decisions based on the price of Bitcoin. Consequently, an investment in the Fund could result in the total loss of a Shareholder's capital.

Bitcoin Generally. The investment characteristics of virtual cryptocurrency generally, and of bitcoin ("Bitcoin" or "BTC") specifically, differ from those of traditional currencies, commodities or securities. Importantly, Bitcoin is not backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, it is market-based: Bitcoin's value is determined by (and fluctuates often, according to) supply and demand factors, the number of merchants that accept it, and the value that various market participants place on it through their mutual agreement, barter or transactions.

Overview of Bitcoin, the Bitcoin Network and the Bitcoin Market. Presently, Bitcoin is a type of decentralized, virtual "cryptocurrency," that functions without the intermediation of any central authority. Each individual Bitcoin unit exists as a digital file, based upon a mathematical proof, and is comprised of two numbers, or "keys": the public key that encrypts a transaction value and the private key that decrypts it. Bitcoin allows users to send payments within a decentralized, peer-to-peer network, and does not require a central clearing house or financial institution clearing transactions. The smallest unit into which a Bitcoin can be divided is called the Satoshi: 1 Bitcoin contains 100 million Satoshi.

Bitcoin network. The "Bitcoin network" refers to the online platform through which Bitcoin is mined, validated and transmitted. Understanding the Bitcoin network requires an understanding of the terms "cryptography," "blockchain" and "mining."

Cryptography. In the Bitcoin context, cryptography refers to the mathematical proofs on which any given Bitcoin is based. The cryptography basis is intended to provide the Bitcoin network a high level of security. Such security, in turn, is designed to permit network users to control transactions and prevent double-spending (*i.e.*, when a unit of Bitcoin would be concurrently sent to and accepted by two different recipients). The Bitcoin network hosts (provides a forum for) the blockchain. As explained below, the blockchain and "mining" concepts are necessary to create a consensus on the network about which transactions will be confirmed and considered valid.

Blockchain. The blockchain is a chronologically ordered, public record of all validated Bitcoin transactions across the Bitcoin network. It is shared among all Bitcoin users. Each "block" in the "chain" (or entry in the record) contains and confirms many waiting transactions.

The blockchain works as follows: Engaging in Bitcoin transactions requires a user to install or access on its computer or mobile device a Bitcoin software program that will allow the user to generate a digital Bitcoin account—commonly known as a "digital wallet" or "wallet"—in which to store Bitcoin, connect to the Bitcoin network, and purchase or sell, own, transfer, or receive Bitcoin. Users that have installed available Bitcoin-Qt must also make periodic software upgrades. Each Bitcoin wallet includes a unique address and verification system consisting of a

"public key" and a "private key" which are linked mathematically to each other. A public key serves as an address for the digital wallet—similar to a bank account number. A user must provide its public key to the party initiating the transfer. The private key is a secret piece of data that proves the user is authorized to spend Bitcoin from a specific wallet—similar to a personal pin to confirm a transaction. It authorizes access to, and transfer of, the funds in the digital wallet to other users. Private key(s) may be stored on a user's computer or on remote servers. If a user fails to secure or make a backup of the public and private key relating to a digital wallet, or loses its private key, or the digital wallet containing the keys is deleted or hacked into, the user permanently loses access to the Bitcoin contained in the associated digital wallet, without any recourse to a centralized group or agency to assist in its recovery.

Each Bitcoin user must "sign" transactions with a data code derived from entering the applicable private key into a "hashtag algorithm." The hashtag algorithm produces a hash (or timestamp) which serves as a signature validation that the transaction has been authorized by the Bitcoin owner. Each timestamp includes the previous timestamp hash as input for its own hash. This dependency of one hash on another is what forms a chain, with each additional timestamp providing evidence that each of the previous timestamp hashes existed. Presently, each block on the blockchain contains a record of hundreds of validated transactions. Each validated transaction contains a unique identifier (*i.e.*, a Bitcoin address/public key) that can be searched and located on the blockchain through Web sites like www.blockchain.com. It takes approximately ten minutes for each Bitcoin transaction to be confirmed by the network through the efforts of miners and a new block in the blockchain to be created. Each block that is added to the blockchain reduces the risk that a previous transaction will not be reversed or that double spending has not occurred.

Mining. Bitcoin mining is the process of validating and adding transaction records to Bitcoin's public ledger of past transactions (*i.e.*, the blockchain). Each block is an independent mathematical proof which depends on the previous block. As an incentive to update the blockchain, Bitcoin miners may collect transaction fees for the transactions they confirm, along with newly created Bitcoin (*i.e.*, rewards). Only the first miner to compute the proof is rewarded with Bitcoin, while the rest of the miners have to start over on a new block. Bitcoin supply is increased with every new block of transactions that is added to the blockchain. Currently, the reward is six and a quarter (6.25) Bitcoin for each block that is added to the blockchain. The reward for solving a block is automatically adjusted—reduced by half for every 210,000 blocks mined—so that roughly every four years of operation of the Bitcoin network, half the amount of Bitcoin created in the prior four years are created. It is understood (but not guaranteed) that the total number of Bitcoin in existence will never exceed 21 million. Mining is currently very expensive and time-consuming, and miners must dedicate substantial resources to continuously power and cool devices. The mining reward system is designed to ensure that miners are compensated for their efforts and new Bitcoin enters into public circulation. The Bitcoin network's mining protocol is intended to make it more difficult to solve for new blocks in the blockchain as the processing power dedicated to mining increases. Therefore, the Bitcoin mining process is designed to incentivize people to be efficient and use as little power as possible to create blocks and validate the transactions. Given the time and resources that must be dedicated to mining, miners may "pool" their efforts and act cohesively to combine their processing power to solve blocks. These efforts are called mining "pools"—and pool members generally split any resulting rewards based on the processing power they each contributed to solve for such blocks.

Virtual Currency Exchanges. Virtual currency exchanges are third-party service providers that convert Bitcoin to fiat currencies (*i.e.*, currency a government considers to be legal tender) or other virtual currencies. Bitcoin are bought, sold, and traded with publicly disclosed (but often-changing) valuations on virtual currency exchanges, where the majority of Bitcoin buying and selling activity occurs. Virtual currency exchanges provide the most data with respect to prevailing valuations of Bitcoin. Market participants can choose which exchange on which to buy or sell Bitcoin, although these exchanges may charge significant fees for processing transactions. A virtual currency exchange is subject to U.S. federal and state regulatory requirements.

Government Oversight of Bitcoin and Virtual Currency Exchanges. FinCEN—the U.S. federal agency charged with administering U.S. anti-money laundering ("AML") laws and regulations—issued guidance titled, FIN-2013-G001: *Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies* (Mar. 18, 2013), categorizing convertible virtual currency *administrators and exchangers* as money services businesses. The FinCEN guidance defines an exchanger as "a person engaged as a business in the exchange of virtual currency for real currency, funds or other virtual currency" and an administrator as "a person engaged as a business in issuing (putting into circulation) a virtual currency and who has the authority to redeem (to withdraw from circulation) such virtual currency." Users of Bitcoin were not directly affected by the guidance. Since the issuance of the guidance, FinCEN has published several administrative rulings, providing additional information on whether certain conduct related to convertible virtual currency renders a person or entity a money transmitter under FinCEN regulations. (*FIN-2014-R001: Application of FinCEN's Regulations to Virtual Currency Mining Operations; FIN-2014-R002: Application of FinCEN's Regulations to Virtual Currency Software Development and Certain Investment Activity; FIN-2014-R007: Application of Money Services Business regulations to the rental of computer systems for mining virtual currency; FIN-2014-R011: Application of FinCEN's Regulations to a Virtual Currency Trading Platform; and FIN-2015-R001, Application of FinCEN's Regulations to Persons Issuing Physical or Digital Negotiable Certificates of Ownership of Precious Metals*). On May 9, 2019, FinCEN issued guidance titled, FIN-2019-G001: *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies*, in which FinCEN affirmed its longstanding regulatory framework for virtual currencies. The guidance does not establish any new regulatory expectations; rather, it consolidates current FinCEN regulations, guidance and administrative rulings that relate to money transmission involving virtual currency, and applies the same interpretive criteria to other common business models involving convertible virtual currencies. On May 9, 2019, FinCEN also issued an advisory titled, FIN-2019-A003: *Advisory on Illicit Activity Involving Convertible Virtual Currency*, to assist financial institutions in identifying and reporting suspicious activity related to criminal exploitation of convertible virtual currencies for money laundering, sanctions evasion, and other illicit financing purposes.

The FinCEN guidance and administrative rulings have clear consequences for companies that handle or transact with convertible virtual currencies (such as Bitcoin) to a degree in which they are engaged in money transmission. Under FinCEN's regulations, a person or entity engaging in money transmission must register as a "money services business," develop an AML program and adhere to federal reporting and recordkeeping requirements.

In the United States, the essential elements of an AML program are set out in the Bank Secrecy Act implementing regulations (31 CFR Chapter X): (1) a system of internal controls;

(2) independent testing for compliance; (3) the designation of an individual to coordinate and monitor day-to-day compliance; and (4) training of appropriate personnel. An AML program should establish and implement risk-based policies and procedures designed to prevent facilitation of money laundering or the funding of terrorism, including the reporting of suspicious transactions with FinCEN. Failure of a money services business to register as a money services business, develop and adequately implement an AML program or adhere to federal reporting and recordkeeping requirements may result in severe civil and criminal penalties for the money services business and/or those individuals who operate it.

On the state level, companies that handle virtual currencies may also have to comply with the separate state licensing practices for money transmitters, and a growing number of states have sought specific legislation, adopted rules, or provided guidance on the regulation of virtual currencies.

For example, in June 2015, the New York Department of Financial Services issued the first U.S. regulatory framework for licensing participants in "virtual currency business activity." The regulations, known as "BitLicense," focus on consumer protection. The BitLicense regulates the conduct of persons or entities that are involved in virtual currency business activity in New York or with New York customers and prohibits any person or entity involved in such activity to conduct activities without a license. In February 2018, State Senator David Carlucci stated that a bill to reform the BitLicense regulation may be introduced "very soon." In addition, on February 7, 2018, the New York Department of Financial Services issued guidance instructing virtual currency business entities with a "BitLicense" or chartered as a limited purpose trust company under the New York Banking Law to report "any wrongdoing" to prevent fraud and similar wrongdoing, including market manipulation, in the virtual currency sector. Other states have taken a different approach to regulating activities involving virtual currency.

On April 3, 2014, the Texas Department of Banking issued Supervisory Memorandum 1037, Regulatory Treatment of Virtual Currencies under the Texas Money Services Act ("TMSA"). The memorandum states that cryptocurrencies do not fit the statutory definitions of either currency or money, and consequently do not by themselves trigger the licensing requirements of the TMSA. However, some common business activities relating to cryptocurrency that involve the receipt of government-issued currency may trigger the licensing requirements of the TMSA. In January 2019, and again in April 2019, the Texas Department of Banking revised Supervisory Memorandum 1037 to clarify that sovereign-backed stablecoins may be considered money under the TMSA and, therefore, activity involving them may trigger licensing requirements.

On September 25, 2020, California Governor Gavin Newsom signed bills into law that establishes Department of Financial Protection and Innovation ("DFPI") and a new Division of Consumer Financial Protection, which will have a research department that monitors emerging financial products such as cryptocurrencies. Other states are seeking legislation, adopting rules or providing guidance (or have already done so) regarding virtual currency business activity. The expectation is that this trend will continue as states seek to protect businesses and consumers.

Further, various foreign jurisdictions are considering or have considered how to manage the use and exchange of virtual currencies. Recent examples include:

- On September 7, 2017, Mario Draghi, the President of the European Central Bank, stated that "[n]o member state can introduce its own currency", and that only "currency of the Eurozone is the Euro" in response to a question regarding Estonia's talks of circulating an Estonian cryptocurrency.
- On February 28, 2018, the European Commission held a roundtable of "key authorities, industry representatives and experts" on cryptocurrency and proposed that "virtual currency exchanges and wallet providers should be subject to the Anti-Money Laundering Directive."
- In September 2017, seven Chinese government administrations, including the People's Bank of China ("**PBOC**"), China Banking Regulatory Commission, China Securities Regulatory Commission, and China Insurance Regulatory Commission, issued a joint statement that cryptocurrency offerings are unauthorized illegal fund raising activity. In addition, several large Chinese Bitcoin exchanges, including BTC China, ViaBTC, Yunbi, OKCoin and Huobi, were reportedly ordered to stop trading cryptocurrency by the end of September 2017. In April 2019, China's National Development Reform Commission listed cryptocurrency mining as an industry that the commission intends to eliminate.
- In December 2017, the South Korean Financial Services Commission took steps to regulate cryptocurrency trading, including prohibiting cryptocurrency exchanges from issuing new trading accounts and banning anonymous trading.
- On June 27, 2019, Koinex, one of India's largest cryptocurrency exchanges, shut down because of the regulatory burdens placed on the cryptocurrency exchange by the Indian government. India's banking regulation had the greatest impact on Koinex, as they made it unlawful for banks to provide financial services to entities that facilitate the trade of virtual currencies.
- On January 16, 2014, an official from the Canadian Finance Department clarified that Bitcoin is not considered to be legal tender. On March 28, 2014, the Canadian parliament passed a bill amending its money laundering and terrorist financing act, making it applicable to persons in Canada engaged in the business of dealing in virtual currencies as well as persons outside Canada that provide such services to customers in Canada.
- On April 1, 2017, the Japanese Financial Services Agency enacted a new law authorizing the use of digital currency as a method of payment. The law will put in place capital requirements for exchanges as well as cybersecurity and operational stipulations. In addition, those exchanges will also be required to conduct employee training programs and submit to annual audits.

Bitcoin Tax Implications. On March 25, 2014, the Service issued a notice regarding the U.S. federal tax implications of transactions in, or transactions that use, virtual currency (the "Notice"). According to the notice, virtual currency is treated as property, not currency, for U.S. federal tax purposes, and "[g]eneral tax principles applicable to property transactions apply to

transactions using virtual currency." In part, the Notice provides that the character of gain or loss from the sale or exchange of virtual currency depends on whether the virtual currency is a capital asset in the hands of the taxpayer. Accordingly, in the U.S., certain transactions in virtual currency are taxable events and subject to information reporting to the Service to the same extent as any other payment made in property.

Additionally, the Service recently issued a revenue ruling regarding certain tax consequences of "hard forks" and "airdrops" of a cryptocurrency (the "Revenue Ruling"). The Revenue Ruling provides that a taxpayer does not have gross income as a result of a hard fork of a cryptocurrency the taxpayer owns if the taxpayer does not receive units of a new cryptocurrency. However, an airdrop of a new cryptocurrency following a hard fork generally results in ordinary income to the taxpayer if the taxpayer receives units of new cryptocurrency.

Although the Service has issued the Notice and Revenue Ruling, the U.S. Department of Treasury and the Service may publish future guidance that provides for adverse tax consequences to the Fund and investors in the Fund. Shareholders should be aware that tax laws and Regulations (as defined below) change on an ongoing basis, and that they may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result, the U.S. Federal tax consequences of investing in the Fund are uncertain, and the net asset value of the Fund at the time any subscriptions, redemptions or exchanges of Shares occur may not accurately reflect the Fund's direct or indirect tax liabilities, including on any historical realized or unrealized gains (including those tax liabilities that are imposed with retroactive effect). In addition, the net asset value of the Fund at the time any subscriptions, redemptions or exchanges of Shares occur may reflect a direct or indirect accrual for tax liabilities, including estimates of such tax liabilities, that may not ultimately be paid. Accounting standards may also change, creating an obligation for the Fund to accrue for a tax liability that was not previously required to be accrued for or in situations where it is not expected that the Fund will directly or indirectly be ultimately subject to such tax liability.

Additionally, application of tax laws and regulations may result in increased, ongoing costs, or accounting related expenses, adversely affecting an investment in the Fund. Also, outside the U.S. the tax rules applicable to virtual currency and the underlying Bitcoin in the Fund are uncertain. Accordingly, the costs or tax consequences to an investor or the Fund could differ from the investor's expectations. (See "Tax Aspects".)

Bitcoin Service Providers. Several companies and financial institutions provide services related to the buying, selling, payment processing and storing of virtual currency (*i.e.*, banks, accountants, exchanges, digital wallet providers, and payment processors). The Fund expects the number of service providers to increase as the Bitcoin network continues to grow. However, there is no assurance that the virtual currency market, or the service providers necessary to accommodate it, will continue to support Bitcoin or other types of virtual currency, continue in existence or grow. Further, there is no assurance that the availability of and access to virtual currency service providers will not be negatively affected by government regulation or supply and demand of virtual currency or Bitcoin. Accordingly, companies or financial institutions that currently support virtual currency may not do so in the future.

Bitcoin Investment Market. Private and professional investors and speculators invest and trade in Bitcoin. These market participants may range from exchange-traded-funds, private investment funds, brokers and day-traders. Certain activity involving Bitcoin may require approvals, licenses or registration, which may serve as a barrier to entry of investors, thereby limiting the market for Bitcoin. There is no assurance that the investment market for Bitcoin will continue to grow.

Anonymity and Illicit Use. Although Bitcoin transaction details are logged on the blockchain, a buyer or seller of Bitcoin may never know to whom the public key belongs or the true identity of the party with whom it is transacting. Public key addresses are randomized sequences of 27-34 alphanumeric characters that, standing alone, do not provide sufficient information to identify users.

Transacting with a counterparty making illicit use of Bitcoin could have adverse consequences. On October 2, 2013, the FBI seized the domain name for the infamous "Silk Road" website—an online black marketplace for illicit goods and services—and arrested its alleged founder, Ross William Ulbricht. The website operated through multiple systems of strict anonymity and secrecy, using Bitcoin as the exclusive means of payment for illicit goods and services. As part of the raid, the FBI also seized over 26,000 Bitcoin from accounts on Silk Road, which were worth approximately \$3.6 million at the time. In November 2020, the U.S. Department of Justice seized more than \$1 billion in Bitcoin from an account linked to the Silk Road website. On January 27, 2014, the CEO of BitInstant (the New York-based Bitcoin exchange service) was arrested on charges of money laundering and operating an unlicensed money transmitting business. On July 24, 2017, FinCEN assessed a \$110 million civil money penalty against BTC-e a/k/a Canton Business Corporation ("BTC-e"), an internet-based and foreign located digital currency exchange founded in 2011, for failing to register as a Money Services Business and facilitating crimes like drug sales and ransomware attacks. FinCEN also assessed separate \$12 million fine against BTC-e's owner, Alexander Vinnik.

Risks Relating to Development and Acceptance of Bitcoin. As a relatively new product and technology, Bitcoin is not yet widely adopted as a means of payment for goods and services. Banks and other established financial institutions may refuse to process funds for Bitcoin transactions, process wire transfers to or from Bitcoin exchanges, Bitcoin-related companies or service providers, or maintain accounts for persons or entities transacting in Bitcoin. Market capitalization for Bitcoin as a medium of exchange and payment method may always be low. Further, Bitcoin use as an international currency may be hindered by the fact that it may not be considered as a legitimate means of payment or legal tender in some jurisdictions. To date, speculators and investors seeking to profit from either short- or long-term holding of Bitcoin drive much of the demand for it, and competitive products may develop which compete for market share. Although Bitcoin, as the first decentralized, virtual cryptocurrency, currently enjoys the majority of the market share, several other virtual cryptocurrencies have since emerged, including Ethereum, Ripple, Litecoin, Tether and Binance Coin. Further, other virtual currencies or payment systems may be the subject of a U.S. or foreign patent application (*i.e.*, JP Morgan Chase Bank's patent application for "Alt-Coin" with the United States Patent & Trademark Office), successfully patented, or, alternatively, Bitcoin-Qt may be patented or owned or controlled by a public or private entity. The Fund could be adversely impacted if Bitcoin fails to retain its market share,

use of Bitcoin contracts, or it fails to expand into retail and commercial markets. Either scenario may increase Bitcoin's volatility or decrease its value (price).

Risks Relating to Development and Acceptance of the Bitcoin Network. The growth and use of virtual currencies generally, and the Bitcoin network specifically, is subject to a high degree of uncertainty. Indeed, the future of the industry likely depends on several factors, including, but not limited to: (a) economic and regulatory conditions relating to both fiat currencies and virtual currencies; (b) government regulation of the use of and access to virtual currencies; (c) government regulation of virtual currency service providers, administrators or exchanges; (d) the domestic and global market demand for—and availability of—other forms of virtual currency or payment methods; and, (e) uniquely regarding Bitcoin, the security, integrity and adoption of the Bitcoin network source code protocol. Any slowing or stopping of the development or acceptance of Bitcoin or the Bitcoin network may adversely affect an investment in the Fund.

Risks Related to Virtual Currency Exchanges

General. The virtual currency exchanges on which Bitcoin trade are relatively new and generally unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. Virtual currency exchanges may be start-up businesses with no institutional backing, limited operating history and no publically available financial information. Exchanges generally require cash to be deposited in advance in order to purchase Bitcoin, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of Bitcoin, 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 Bitcoin from a personal account to a third-party's account. The Fund will take credit risk of an exchange every time it transacts.

Virtual currency exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of virtual currency for fiat currency difficult or impossible. Additionally, Bitcoin prices and valuations on virtual currency 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 Bitcoin remains subject to any volatility experienced by virtual currency exchanges, and any such volatility can adversely affect an investment in the Fund.

Virtual currency exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Bitcoin 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). In 2018 alone, virtual currency exchanges based in Japan (Coincheck), Italy (Bitgrail), India (Coinsecure) and South Korea (Coinrail) are reported to have experienced major hacks, resulting in losses of approximately \$650,000,000 in

total. In addition, significant hacks have occurred in 2019, including the theft of approximately 7,000 Bitcoin (equivalent to more than \$40,000,000) from Binance, a prominent global cryptocurrency exchange, and in 2020, including a hack on a Singapore based cryptocurrency exchange KuCoin resulting in a loss of more than \$150,000,000.

Exchanges may even shut down or go offline voluntarily, without any recourse to investors. For example, on February 25, 2014, the Bitcoin website for one of the largest Bitcoin exchanges, Mt. Gox, was taken offline suddenly, without any notice or warning to investors or the public. It was reported that Mt. Gox voluntarily shut down because it was unable to account for over 850,000 Bitcoin (valued at approximately 450 million dollars at the time). According to news reports, hackers siphoned Bitcoin from Mt. Gox by changing the unique identification number of a Bitcoin transaction before it was confirmed on the Bitcoin network. Although 200,000 Bitcoin have since been recovered, the reasons for their disappearance remain unclear. Mt. Gox ultimately filed for bankruptcy in Japan, and bankruptcy protection in Japan and the United States. As a result, the price of Bitcoin decreased drastically, adversely affecting all Bitcoin holders. In many of these instances, the customers of such exchanges have not been compensated or made whole for the partial or complete loss of their account balances. Consequently, An exchange may be unable to replace missing Bitcoin or seek reimbursement for any theft of Bitcoin, adversely affecting investors and an investment in the Fund.

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

Limited Exchanges on Which to Trade Bitcoin. The Fund may trade on a limited number of exchanges (and potentially only a single exchange) either because of actual or perceived counterparty or other risks related to a particular exchange. Trading on a single exchange may result in less favorable prices and decreased liquidity for the Fund and therefore could have an adverse effect on the Fund and its Shareholders.

Non-U.S. Operations. Bitcoin exchanges may operate outside of the United States. The Fund 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 Fund 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 Fund and its operations and investments.

Risks of Buying or Selling Bitcoin. The Fund may transact with private buyers or sellers or virtual currency exchanges. The Fund will take on credit risk every time it purchases or sells Bitcoin, and its contractual rights with respect to such transactions may be limited. Although the Fund's transfers of Bitcoin or fiat currency will be made to or from a counterparty which the

Investment Manager believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, the Fund's Bitcoin or cash could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Fund is unable to seek a corrective transaction with such third-party or is incapable of identifying the third-party which has received the Fund's Bitcoin or cash (through error or theft), the Fund will be unable to recover incorrectly transferred Bitcoin or fiat currency, and such losses will negatively impact the Fund.

Certain virtual currency exchanges may place limits on the Fund's transactions, or the Fund may be unable to find a willing buyer or seller of Bitcoin. To the extent the Fund experiences difficulty in buying or selling Bitcoin, investors may experience delays in subscriptions or payment of redemption proceeds, or there may be delays in liquidation of the Fund's Bitcoin—adversely affecting the net asset value of the Fund.

Actual proceeds from the sale of Bitcoin may not reflect trading prices or market quotations, and receiving proceeds may be time consuming and expensive.

Risks Relating to Government Oversight. The regulatory schemes—both foreign and domestic—possibly affecting Bitcoin or the Bitcoin network may not be fully developed as of the Fund's inception. It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting the Bitcoin network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use Bitcoin, or to exchange Bitcoin for either fiat currency or other virtual currency. It is also possible that government authorities may claim ownership over Bitcoin-Qt or law enforcement agencies (of any or all jurisdictions, foreign or domestic) may take direct or indirect investigative or prosecutorial action related to, among other things, the use, ownership or transfer of virtual currencies or Bitcoin, resulting in a change to its value or to the development of the Bitcoin network (*e.g.*, the closure and seizure of Silk Road and the closure and seizure of www.libertyreserve.com—the domain name for Liberty Reserve, an online, virtual currency payment processor and money transfer system that the U.S. government alleges acted as a financial hub of the cyber-crime world).

Federal Regulatory Authorities.

CFTC. The Commodity Futures Trading Commission ("CFTC") has not to date made a formal statement asserting its regulatory authority over Bitcoin or over any participants in the Bitcoin network. In addition, the CFTC has not to date promulgated any regulations specifically addressing Bitcoin or the activities of participants in the Bitcoin network. However, as the primary regulator of derivatives (*i.e.*, futures, options and swaps), the CFTC has jurisdiction over all such digital currency-linked derivatives, including the platforms that list them and the clearinghouses that clear them.

While the CFTC regulatory authority over cryptocurrency generally only extends to cryptocurrency derivatives, the CFTC has indicated that it does have a limited level of oversight over direct trading of cryptocurrencies; on September 21, 2017, the CFTC filed for injunctive relief against Gelfman Blueprint Inc, and its CEO, Nicholas Gelfman concerning an alleged Ponzi scheme. The CFTC asserted jurisdiction on the basis of Mr. Gelfman engaging in some Bitcoin trading, thereby engaging in manipulative trading in commodities. In August 2018, CabbageTech Corp was found guilty of fraudulent behavior in another case brought by the CFTC for " a

deceptive and fraudulent virtual currency scheme." The CFTC has historically asserted jurisdiction over spot market commodities trading, where manipulative trading in the spot market can affect its derivatives market. The Gelfman case is unique in that the CFTC asserted jurisdiction over the spot market when there was little to no derivatives trading in the United States. *See CFTC v. Gelfman Blueprint, No. 17-7181 (S.D.N.Y. Sept. 21, 2017)*. Similarly, the CabbageTech case did not indicate that there was any derivatives trading conducted, yet the court rejected the defendant's claim that the CFTC had no jurisdiction in the matter. *See CFTC vs. Patrick K. McDonnell, and Cabbagetech, Corp. d/b/a Coin Drop Markets, (No. 18-CV-0361) (E.D.N.Y. Aug. 24, 2018)*. *See also Commodity Futures Trading Comm'n v. My Big Coin Pay, Inc.*, 334 F. Supp. 3d 492, 496–97 (D. Mass. 2018) (finding that defendants' virtual currency, "My Big Coin," was a commodity subject to CFTC anti-fraud and anti-manipulation authority, because contracts for future delivery of virtual currencies were already "dealt in"—even if futures contracts for My Big Coin, specifically, were not).

To the extent the Fund's activities are viewed as holding or offering Bitcoin derivatives (including futures, options and swaps), the Fund, the Investment Manager, or one or more companies in which it invests, may be required to register and comply with additional regulation under the Commodity Exchange Act, such as the Investment Manager registering as a commodity pool operator (where holding Bitcoin derivatives) or the Fund, or one of the companies in which it invests, registering as a swap execution facility or swap dealer (when offering certain Bitcoin derivatives) or by being subject to the CFTC requirements with respect to such instruments, such as reporting, recordkeeping, mandatory clearing or minimum margin requirements. Such registration and associated compliance costs could adversely affect an investment in the Fund.

SEC. The SEC has not formally asserted regulatory authority over Bitcoin or over any participants in the Bitcoin network. In addition, the SEC Chairman Clayton, in 2018, stated that cryptocurrencies, such as Bitcoin, "are replacements for sovereign currencies" and that such type of currency "is not a security".

With respect to other cryptocurrencies, on April 3, 2019, the SEC published a framework aimed at assisting in determining whether a cryptocurrency is a security (the "Framework"). Alongside the Framework, the SEC also published a no-action letter for TurnKey Jet, Inc. (the "TurnKey Letter"), which marks the first ever no-action letter regarding cryptocurrencies. Per the Framework and the TurnKey Letter, cryptocurrencies cannot be used to raise capital without implicating U.S. securities laws.

Prior to the Framework, the SEC had addressed the regulatory status of cryptocurrencies in various contexts. For example, on November 16, 2018, the SEC settled charges against CarrierEQ Inc. ("Airfox") and Paragon Coin Inc. ("Paragon"), two companies that sold digital tokens in ICOs in 2017. Airfox, a Boston-based startup, raised approximately \$15 million worth of digital tokens ("AirTokens"), which were issued on a blockchain or distributed ledger to finance its development of a token-denominated "ecosystem" starting with a mobile application that would allow users in emerging markets to earn tokens and exchange them for data by interacting with advertisements. Paragon, an online entity, raised approximately \$12 million worth of digital tokens ("PRG tokens") to be issued on a blockchain, or a distributed ledger to develop and implement its business plan to add blockchain technology to the cannabis industry and work

toward legalization of cannabis. The SEC determined that both AirTokens and PRG tokens were "securities" and that, in turn, Airfox and Paragon violated Sections 5(a) and 5(c) of the Securities Act by offering and selling those securities without having a registration statement filed or in effect with the SEC or qualifying for exemption from registration with the SEC. The orders imposed \$250,000 penalties against each company and both companies agreed to return funds to harmed investors, register the tokens as securities, file periodic reports with the SEC, and pay penalties. Airfox and Paragon consented to the orders without admitting or denying the findings.

To the extent that Bitcoin could in the future unexpectedly be deemed to fall within the definition of a security for purposes of U.S. laws and regulations (including by the SEC), the Fund may be required to comply with certain relevant U.S. law and regulations. Such associated compliance costs could adversely affect an investment in the Fund.

FinCEN. To the extent that the Fund engages in money services business activity, including money transmission, as defined by FinCEN, the Fund may be deemed to fall within the Bank Secrecy Act's definition of a financial institution, and subject to the Bank Secrecy Act, 31 U.S.C. §§ 5311-5314; 5316-5330, and its implementing regulations, and as such required to register as a money services business with FinCEN. The Fund would also be required to develop an AML program and adhere to U.S. federal reporting and recordkeeping requirements. To the extent the Fund is operating as an unregistered money services business, it may be subject to civil money penalties under 31 U.S.C. § 5321, and/or criminal liability under 31 U.S.C. § 5322 and 18 U.S.C. § 1960, if applicable. Such additional regulatory obligations may cause the Fund to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Fund in a material and adverse manner. To the extent the Fund limits or reduces the scope of certain activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision, investments in the Fund may be adversely affected.

State Regulatory Authorities. To the extent that the activities of the Fund cause it to be deemed a "money transmitter" under State statutes or regulations, it may incur significant fees in becoming licensed in each State in which it does business, and may also be required to adhere to State statutes or regulations. To the extent that a state requires an additional license or registration for activities involving digital currencies that require the Fund to obtain a license or register with the state for its activities involving digital currency, it may incur significant fees in becoming licensed/registered in those States, and may also be required to adhere to the State's statutes or regulations. States may impose fines or penalties with respect to any unlicensed activity. Accordingly, to the extent the Fund is operating without appropriate licenses, it may be subject to fines or penalties, and/or criminal liability under State laws or 18 U.S.C. § 1960, if applicable. Such additional regulatory obligations may cause the Fund to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Fund in a material and adverse manner. To the extent the Fund limits or reduces the scope of certain Fund activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision over the Fund, investment in the Fund may be adversely affected.

Foreign Jurisdictions. Various foreign jurisdictions may adopt policies, laws, regulations or directives that affect Bitcoin or the Bitcoin network, generally. Such additional foreign regulatory obligations may cause the Fund to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Fund in a material and adverse manner.

To the extent Bitcoin is not recognized as legal currency, is determined to be a security, commodity interest or other regulated asset, or a U.S. or foreign government or quasi-governmental agency exerts regulatory authority over Bitcoin use, exchange, trading and ownership, the net asset value of the Fund may be adversely affected. Any additional regulatory obligations may cause the Fund to incur extraordinary, non-recurring expenses, and/or ongoing compliance expense, possibly affecting an investment in the Fund in an adverse manner. If the Fund determines not to comply with such regulatory requirements, the Fund may be liquidated at a time that is disadvantageous to an investor in the Fund. To the extent the Fund limits or reduces the scope of certain activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision, investment in the Fund may be adversely affected.

Risks Relating to Bitcoin Price Volatility. A principal risk in trading Bitcoin is the rapid fluctuation of its market price. High price volatility undermines Bitcoin's role as a medium of exchange as retailers are much less likely to accept it as a form of payment. The value of the Shares relates directly to the value of the Bitcoin held in the Fund and fluctuations in the price of Bitcoin could adversely affect the net asset value of the Shares. There is no guarantee that the Fund will be able to achieve a better than average market price for Bitcoin or will purchase Bitcoin at the most favorable price available. The price of Bitcoin achieved by the Fund may be affected generally by a wide variety of complex and difficult to predict factors such as Bitcoin supply and demand; rewards and transaction fees for the recording of transactions on the blockchain; availability and access to virtual currency service providers (such as payment processors), exchanges, miners or other Bitcoin users and market participants; perceived or actual Bitcoin network or Bitcoin security vulnerability; inflation levels; fiscal policy; interest rates; and political, natural and economic events.

To the extent the public demand for Bitcoin were to decrease, or the Fund was unable to find a willing buyer, the price of Bitcoin could fluctuate rapidly and the Fund may be unable to sell the Bitcoin in its possession or custody. Shareholders with outstanding redemption requests will remain subject to the risk of price fluctuations of Bitcoin until they are fully redeemed from the Fund. Further, if the supply of Bitcoin available to the public were to increase or decrease suddenly due to, for example, a change in the Bitcoin source code, the dissolution of a virtual currency exchange, or seizure of Bitcoin by government authorities, the price of Bitcoin could fluctuate rapidly. Such changes in demand and supply of Bitcoin could adversely affect an investment in the Fund. In addition, governments may intervene, directly and by regulation, in the Bitcoin market, with the specific effect, or intention, of influencing Bitcoin prices and valuation (e.g., releasing previously seized Bitcoin). Similarly, any government action or regulation may indirectly affect the Bitcoin market or Bitcoin network, influencing Bitcoin use or prices.

Currently, there is relatively modest use of Bitcoin in the retail and commercial marketplace compared to its use by speculators, thus contributing to price volatility that could adversely affect an investment in the Fund. If future regulatory actions or policies limit the ability to own or exchange Bitcoin in the retail and commercial marketplace, or use them for payments, or own them generally, the price and demand for Bitcoin may decrease. Such decrease in demand may result in the termination and liquidation of the Fund at a time that may be disadvantageous to Shareholders, or may adversely affect the Fund's net asset value.

The Fund will compete with direct investments in Bitcoin and other potential financial vehicles backed or linked to Bitcoin. Any change in market and financial conditions, or other conditions beyond the Fund's control, may make investment and speculation in Bitcoin more attractive, which could limit the supply of Bitcoin and increase or decrease liquidity.

Risks Relating to Loss or Destruction of Bitcoin. Bitcoin are intended to be controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which the Bitcoin are held. To the extent private keys relating to the Fund's Bitcoin holdings are lost, destroyed or otherwise compromised, the Fund will be unable to access the related Bitcoin and such private keys are not capable of being restored by the Bitcoin network. Any loss of private keys relating to digital wallets used to store the Fund's Bitcoin could adversely affect an investment in the Fund. Further, Bitcoin is transferred digitally, through electronic media not controlled or regulated by any entity. To the extent a Bitcoin transfers erroneously to the wrong destination, the Fund may be unable to recover the Bitcoin or its value. Such loss could adversely affect an investment in the Fund.

Risks Relating to Irrevocable Bitcoin Transactions. Just as the blockchain creates a permanent, public record of Bitcoin transactions, it also creates an irrevocable one. Transactions that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Bitcoin, the transaction is not reversible. The Fund may be unable to replace missing Bitcoin or seek reimbursement for any erroneous transfer or theft of Bitcoin. To the extent that the Fund is unable to seek redress for such action, error or theft, such loss could adversely affect an investment in the Fund. Under the Investment Manager's trade errors policy, in the absence of bad faith, Gross Negligence, willful misconduct or Fraud on the Investment Manager's part, the Fund (and not the Investment Manager) will benefit from any gains resulting from trade errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors.

Security of Cryptocurrency Networks. Techniques to secure the blockchains of cryptocurrency networks are recent inventions and may fail. For example, the incentives that keep a blockchain decentralized may prove insufficient, thus impacting the value or security of an investment held by the Fund. Exploitations in various blockchains may occur which result in losses for the Fund.

Risks Relating to Third-Party Wallet Providers. The Fund intends to use third-party wallet providers to hold the Fund's Bitcoin. The Fund may have a high concentration of its Bitcoin 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 Fund is not required to maintain a minimum number of wallet providers to hold the Fund's Bitcoin. The Fund may not conduct detailed information technology 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 Fund against any losses of Bitcoin. Bitcoin held by third-parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such Bitcoin. The Fund may also incur costs related to third-party storage. Any security breach, incurred cost or loss of Bitcoin associated with the use of a third-party wallet provider, may adversely affect an investment in the Fund.

Risks Relating to Bitcoin Security. The Fund intends to use third-party wallet providers to secure the Fund's Bitcoin. The Fund may, however, employ other systems to safeguard Bitcoin holdings, such as "cold storage" or "deep storage," which may increase the time required to access certain Bitcoin, and may, therefore, delay liquidation of the Fund's Bitcoin or payment of redemption proceeds, which could have a material adverse effect on the net asset value of the Fund. The systems in place to secure the Bitcoin may not prevent the improper access to, or damage or theft of the Fund's Bitcoin. Further, a security breach could harm the Fund's reputation or result in the loss of some or all of the Fund's Bitcoin, which represents the Fund's only asset. Any such security breach or leak of non-public information relating to the security of Bitcoin may adversely affect an investment in the Fund.

Risks Relating to Bitcoin Hackers. Hackers or malicious actors may launch attacks to steal, compromise, or secure Bitcoin, such as by attacking the Bitcoin network source code, exchange servers, third-party platforms, cold and hot storage locations or software, or Bitcoin transaction history, or by other means. For example, in February 2014, Mt. Gox suspended withdrawals because it discovered hackers were able to obtain control over the exchange's Bitcoin by changing the unique identification number of a Bitcoin transaction before it was confirmed by the Bitcoin network. Further, Flexcoin, a so-called Bitcoin bank, was hacked in March 2014 when attackers exploited a flaw in the code governing transfers between users by flooding the system with requests before the account balances could update—resulting in the theft of 896 Bitcoin. The Fund may be in control and possession of one of the largest holdings of Bitcoin. As the Fund increases in size, it may become a more appealing target of hackers, malware, cyber-attacks or other security threats. As a result, the Fund will undertake efforts to secure and safeguard the Bitcoin in its custody from theft, loss, damage, destruction, malware, hackers or cyber-attacks, which may add significant expenses to the operation of the Fund. There can be no assurance that such securities measures will be effective. The Fund may be unable to replace missing Bitcoin or seek reimbursement for any theft of Bitcoin, adversely affecting an investment in the Fund.

Risks Relating to Lack of Transparency. Given the type and extent of the security measures necessary to adequately secure Bitcoin, Shareholders will not fully know how the Fund stores or secures its Bitcoin or the Fund's complete holding of Bitcoin at any time.

Risks Relating to Reliance on Virtual Currency Service Providers. Due to audit and operational needs, there will be individuals who have information regarding the Fund's security measures. Any of those individuals may purposely or inadvertently leak such information. Further, several companies and financial institutions (including banks) provide support to the Fund related to the buying, selling, and storing of virtual currency. To the extent service providers no longer support the Fund or cannot be replaced, an investment in the Fund may be adversely affected.

Risks Relating to the Bitcoin Network Integrity and Security. The source code used to form the Bitcoin is attributed to "Satoshi Nakamoto" a pseudonym to a presently unidentified individual or group of individuals who may be acting alone or in concert with a government, government organization or group with malevolent tendencies. As such, only the portions of the source code that have been made public have been analyzed with regards to operation, ability to generate Bitcoin, and to conduct transactions in the previously described manner. There may exist an unseen portion of the original code wherein a pre-existing sub-routine

and/or virus has been placed which will activate at a future time (determined by the original code writer(s)) causing disruptions to the blockchain and/or resulting in substantial losses, theft of Bitcoin, unauthorized transactions and the issuance of duplicate Bitcoin.

Further, since the identity of the original code writer(s) is not known, one cannot discount the possibility of the same unknown individual(s) inserting and/or activating a sub-routine or artifact allowing said person(s) to manipulate a portion of the Bitcoin programming and/or blockchain itself to the benefit of this individual(s) (*i.e.*, by programming a portion of each Bitcoin to transfer to such individual's Bitcoin wallet).

While the Investment Manager undertakes every effort to ensure the highest levels of data protection and information assurance internally (using industry-leading best practices for data storage and transmission, the strongest cryptography known and available to the private sector, and stringent internal controls on data and communications), at some points during the act of transferring a Bitcoin into or out of the Fund's platform (during Download or Upload) the Fund's platform requires interfacing with outside entities whose methods, practices and standards may be outside of the Fund's control or who may be under the influence of bad actors. Events may occur where corrupted Bitcoin, viruses and/or attachments are introduced into the Fund's platform, which could compromise the Fund's operation or result in loss of Bitcoin, adversely affecting an investment in the Fund.

There exists the possibility that while acquiring or disposing of Bitcoin, the Fund unknowingly engages in transactions with bad actors who are under the scrutiny of government investigative agencies. As such, the Fund's systems or a portion thereof may be taken off-line pursuant to legal process such as the service of a search and/or seizure warrant. Such action could result in the loss of Bitcoin previously under the Fund's control.

The development team and administrators of the Bitcoin network's source code could propose amendments to the network's protocols and software that, if accepted and authorized, or not accepted, by the Bitcoin network community, could adversely affect the supply, security, value, or market share of Bitcoin and thus an investment in the Fund. Further the Fund may be adversely affected by a manipulation of the Bitcoin source code.

Malicious Actor or Botnet. Malware is software used or programmed by malicious actors to disrupt computer operation, gather sensitive information or gain access to private computer systems. "Botnet" refers generally to a group of computers that use malware to compromise computers whose security defenses have been breached. To the extent that a malicious actor, cyber-criminal, computer virus, hacker, or botnet (*e.g.*, ZeroAccess) obtains a majority of the processing power on the Bitcoin network; alters the source code and blockchain on which all Bitcoin transactions rely; or prevents the use, transfer, ownership, or integrity of Bitcoin, an investment in the Fund could be adversely affected.

Forking. If Bitcoin miners solve a block at approximately the same time, it causes a "fork" in the blockchain. The Bitcoin network software and protocol try to resolve forks by automatically giving priority to the longest blockchain in the fork. If forks are unresolved there are effectively two Bitcoin networks operating at the same time, each with its own version of the

transaction history. This creates an increased risk of receiving a double-spend transaction, and a general systemic risk to the integrity and security of the Bitcoin network.

To the extent that a significant majority of users and miners on the Bitcoin network install software that changes the Bitcoin network or properties of Bitcoin, including the irreversibility of transactions and limitations on the mining of new Bitcoin, the Bitcoin network would be subject to new protocols and software that may result in a "fork" of the Bitcoin network, adversely affecting an investment in the Fund. Similarly, if less than a significant majority of users and miners on the Bitcoin network install such software, the Bitcoin network could "fork," which may adversely affect an investment in the Fund. To the extent that any temporary or permanent forks exist in the blockchain, an investment in the Fund may be adversely affected.

On August 1, 2017 the Bitcoin blockchain experienced a hard "fork", resulting in the creation of Bitcoin Cash (BCH), a version of Bitcoin with its own set of rules, updated technology and faster transaction speed. As Bitcoin Cash emerged from the same ledger as Bitcoin, Bitcoin holders received the same amount of Bitcoin Cash tokens after the split and, as a result, now hold both Bitcoin, which will continue to be recorded on the original Bitcoin blockchain, and Bitcoin Cash, which will be recorded on the new "forked" blockchain. The hard "fork" was the result of a disagreement regarding the optimal size of the blocks that make up the Bitcoin network (some users, merchants, businesses, investors and miners desired to increase the block size, so as to allow for greater transaction confirmation speed, while Bitcoin's core developers desired to maintain the existing block size, so as to protect Bitcoin from potential hacks and more strongly preserve Bitcoin's decentralized nature (as some miners would not install the new, updated, software)). Furthermore, the Bitcoin blockchain experienced hard "forks" on October 24, 2017, resulting in Bitcoin Gold (BTG), and on November 15, 2018, resulting in Bitcoin SV (BSV).

The Bitcoin blockchain may continue to experience additional hard "forks", which may or may not have upgraded consensus rules that allow it to grow and scale. There is no guarantee that merchants, wallets or exchanges will support, or that a market will develop for, Bitcoin Cash, Bitcoin Gold, Bitcoin SV and/or future Bitcoin tokens, which may also compete with Bitcoin (negatively affecting its value). In addition, hard "forks" may carry further risks, including, without limitation, (i) that Bitcoin networks heavily decline in value or that the combined value of the competing versions of Bitcoin is less than the value of a single Bitcoin network (particularly, if the "fork" is interpreted as a general failure to reach a consensus regarding the Bitcoin network), (ii) that developers, service providers and users choose one version of Bitcoin over another and (iii) that the division of mining power makes each Bitcoin blockchain slower and/or less secure.

Mining Incentives. If rewards and transaction fees are not properly matched to the efforts of miners, miners may not have an adequate incentive to continue mining. Miners ceasing operations could reduce the collective processing power on the Bitcoin network, adversely affect the validation process for transactions, and, generally, make the network more vulnerable. Further, if a single miner or a mining pool gains a majority share in the Bitcoin network's computing power, the integrity of the blockchain may be affected. A miner or mining pool could reverse Bitcoin transactions, make double-spend transactions, prevent confirmations or prevent other miners from mining valid blocks. Each of these scenarios could reduce confidence in the validation process or processing power of the network, and adversely affect an investment in the Fund.

As the number of Bitcoin awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the Bitcoin network may transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for Bitcoin and prevent the expansion of the Bitcoin network to retail merchants and commercial businesses, resulting in a reduction in the net asset value of the Fund.

To the extent that any miners cease to record transactions in solved blocks, transactions that do not include the payment of a transaction fee will not be recorded on the blockchain until a block is solved by a miner who does not require the payment of transaction fees. Any such delays in the recording of transactions could result in a loss of confidence in the Bitcoin network, which could adversely impact an investment in the Shares.

Changes to Underlying Protocol. In general, the underlying software protocols which govern the operation of Bitcoin network are open source and anyone can use, copy, modify, and distribute them. The Shareholder acknowledges and agrees (i) that the Fund makes no guarantee of the functionality, security, or availability of underlying protocols; (ii) that some underlying protocols are subject to consensus-based proof of stake validation methods which may allow, by virtue of their governance systems, changes to the associated blockchain or digital ledger ("**Governance Modifiable Blockchains**"), and that any transaction made by the Fund validated on such Governance Modifiable Blockchains may be affected accordingly; and (iii) that the underlying protocols are subject to sudden changes in operating rules (a/k/a "**forks**"), and that such forks may materially affect the value, function, and/or even the name of Bitcoin stores in Shareholder's account. In the event of a fork, the Investment Manager may temporarily suspend the Fund's operations (with or without notice to Shareholder) and the Investment Manager may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. The Fund assumes absolutely no liability, obligation or responsibility whatsoever in respect to the operation of underlying software protocols, transactions affected by Governance Modifiable Blockchains, or an unsupported branch of a forked protocol and, accordingly, a Shareholder acknowledges and assumes the risk of the same.

Risks Relating to Legal Claims. To the extent that the creation, use or circulation of Bitcoin, or the Bitcoin network, generally, violates any foreign or domestic statute or regulation (such as the Stamp Payments Act of 1862 or US. federal counterfeiting statutes), or government, quasi-government, or private-individuals assert intellectual property claims against the Bitcoin network source code or related mathematical algorithms, the Fund could be adversely affected. The Fund cannot verify the legitimacy of claims to ownership of Bitcoin invested in the Fund. To the extent that any individual, institution, government or other authority asserts a claim of ownership or wrongful possession over the Bitcoin in the custody of the Fund, the Fund could be adversely affected. Regardless of the merit of such legal action, confidence in Bitcoin and the Bitcoin network may adversely affect an investment in the Fund.

Risks of "Buy and Hold" Strategy. The Investment Manager intends to cause the Fund to purchase Bitcoin to satisfy subscriptions and to sell Bitcoin in exchange for fiat currency only to satisfy redemptions. Absent redemption requests, the Investment Manager will not sell Bitcoin on behalf of the Fund even if the Investment Manager believes that the trading price of

Bitcoin will decline significantly. Although the Investment Manager has the right to manage the Fund with the objective of realizing assets in an orderly manner and distributing the proceeds to Shareholders in the event that the investment program of the Fund is no longer viable, the Investment Manager will not wind down the Fund based solely on a drop in the trading price of Bitcoin, regardless of how significant. The Investment Manager's long-term, long only "buy and hold" strategy, the failure of a Shareholder to submit a redemption, or the inability of the Fund to satisfy redemption requests could result in significant losses and potentially the loss of all of the Fund's capital.

Risks of Uninsured Losses. Though the Fund may seek to insure its Bitcoin holdings, it may not be possible, either because of a lack of available policies or because of prohibitive cost, for the Fund to obtain insurance of any type that would cover losses associated with Bitcoin. If an uninsured loss occurs or a loss exceeds policy limits, the Fund could lose a portion or all of its assets. The Fund's Bitcoin are not covered by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation.

Bitcoin Lending. The Fund may lend Bitcoin on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms, financial institutions and other third-party borrowers (and affiliates of the Fund and/or the Investment Manager). While such loan is outstanding, the Fund will receive interest on the investment of the collateral or a fee from the borrower. The risks in lending Bitcoin, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of Bitcoin or possible loss of rights in the collateral, if any, should the borrower fail financially. Furthermore, during the time any Bitcoin is in the possession of such borrower, such Bitcoin may be kept in custody that provides a different level of security than that of the Fund's custodian. In addition, Bitcoin lending may be treated for U.S. federal income tax purposes as a sale of the lent Bitcoin, which would cause the Fund to recognize any built-in gain or loss in such Bitcoin.

Risks Relating to Market Conditions Generally

General Economic and Market Conditions

The success of any private investment fund's activities may be affected by general economic and market conditions, such as economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), and national and international political circumstances (including wars, terrorist acts or security operations), although the success of the Fund's Bitcoin-focused investment strategy may be less correlated to changes in general economic and market conditions.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to extensive governmental interventions in equity, credit and currency markets, and it is possible that similar interventions may occur in the market(s) for cryptocurrency. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be

imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Fund's strategy.

Brexit. The UK formally withdrew from the European Union on January 31, 2020. The ongoing withdrawal process could cause an extended period of uncertainty and market volatility, not just in the UK but throughout the European Union, the EEA and globally. It is not possible to ascertain the precise impact these events may have on the Fund or the Investment Manager from an economic, financial or regulatory perspective but any such impact could have material consequences for the Fund.

No Diversification. The Investment Manager will concentrate the Fund's investments in Bitcoin. Losses incurred in the Fund's investments in Bitcoin would have a material adverse effect on the Fund's overall financial condition.

CUSTODY OF THE FUND'S BITCOIN

Bitcoin will be held and safeguarded in a manner determined by the Investment Manager to be in the best interest of the Fund. Specifics of the Investment Manager's integral security system of Bitcoin are proprietary information which is known by only a few key employees who control, manage and protect the Investment Manager's security protocol. The Fund will endeavor to keep in place procedures to reduce risk of loss or theft of Bitcoin. The Investment Manager is focused on maintaining a high level of security, and closely monitors the advances and best practices within the Bitcoin ecosystem regarding Bitcoin custody and security.

OTHER ACTIVITIES OF MANAGEMENT; POTENTIAL CONFLICTS OF INTEREST

The Investment Manager and its affiliates are subject, and the Fund is exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Shareholders' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises, the Investment Manager will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with its fiduciary duties to the Fund. The Investment Manager has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest. Unless the context clearly indicates otherwise, references in this section to conflicts of interest that may apply to the Investment Manager should be understood to apply to the Investment Manager and its affiliates.

Prospective Shareholders should understand that (i) the relationships among the Fund, the Other Accounts, the Investment Manager and its affiliates are complex and dynamic and (ii) as the Investment Manager's and the Fund's businesses change over time, the Investment Manager and its affiliates may be subject, and the Fund may be exposed, to new or additional conflicts of interest. There can be no assurance that this Memorandum addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Fund or the Shareholders. *Prospective Shareholders should consult with their own advisers*

regarding the possible implications on their investment in the Fund of the conflicts of interest described in this Memorandum.

Other Activities of the Investment Manager and its Affiliates

Conflicts of interest may arise from the fact that the Investment Manager and its affiliates provide investment management services to clients other than the Fund, including, without limitation, investment funds, separately managed accounts, proprietary accounts and other investment vehicles (collectively, "Other Accounts", and together with the Fund, the "Accounts" and each, an "Account"). The Fund will not typically have an interest in any Other Accounts.

The Investment Manager and its affiliates also engage in a broad spectrum of activities, including direct investment activities (including trading in Bitcoin and other alternative currencies outside of the Fund) and investment advisory activities, and have extensive investment activities (including investments for their own account), on behalf of both persons or entities to which they provide investment advice on a principal basis, that are independent from, and may from time to time conflict or compete with, the Fund's investment activities, including by buying or selling Bitcoin at different times than the Fund, or when the Fund is doing the opposite. Additionally, the Investment Manager and its affiliates invest in or operate Bitcoin exchanges or other Bitcoin service providers and provide investment advisory services to Other Accounts that invest in alternative currencies that compete with Bitcoin.

Other Accounts may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Fund, or may compete with or have interests adverse to the Fund. If Other Accounts invest in Bitcoin, this could affect the prices and availability of Bitcoin to the Fund. Other Accounts may buy and sell Bitcoin at different times than the Fund. Conflicts of interest may also arise when the Investment Manager makes decisions on behalf of the Fund with respect to matters where the interests of the Investment Manager or one or more Other Accounts differs from the interests of the Fund.

Liquidation of Assets of Other Accounts and Other Classes

The Investment Manager and its affiliates may provide investment management services to Other Accounts (including managed accounts and investment funds formed for a single investor or group of affiliated investors (each such fund, a "Fund of One")) that may have investment objectives, programs or strategies that are similar to those of the Fund, which could result in significant overlapping positions among the Fund and such Other Accounts. In addition, such Other Accounts may have different or additional terms than those of the Shares described in this Memorandum, including different fees, information rights and liquidity rights (including the right to wind down and terminate a managed account or Fund of One without cause). Additional information may affect an investor's decision to invest additional capital in, to remain invested in, to withdraw from or to terminate an Other Account. Any such withdrawals or terminations could cause any such Other Account to liquidate its positions ahead of the Fund, which may have a material adverse effect on the Fund and the Shareholders' investments therein. Similarly, to the extent that the Fund establishes Tranches of Shares with different liquidity rights, certain Shareholders may be able to act on information before any Shareholder that has less frequent liquidity rights.

Lack of Exclusivity

The Investment Manager, its affiliates and personnel will devote as much of their time to the activities of the Fund as they deem necessary and appropriate. The Investment Manager, its affiliates and personnel will not be restricted from forming Other Accounts, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Fund and/or may involve substantial time and resources of the Investment Manager, its affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of the Investment Manager, its affiliates and personnel will not be devoted exclusively to the business of the Fund but will be allocated between the business of the Fund and the management of Other Accounts and businesses.

Investments by the Principal, Senior Management and Key Employees in the Fund and Other Accounts

Subject to applicable regulatory restrictions, the Principal, senior management and key employees of the Investment Manager may choose to personally invest, directly and/or indirectly, in the Fund. Such investors may be in possession of information relating to the Fund that is not available to other Shareholders and prospective Shareholders. The Principal, senior management and key employees are not required to keep any minimum investment in the Fund and may invest in Other Accounts. It is expected that, if such investments are made, the size and nature of these investments will change over time without notice to the Shareholders. Investments by the Principal, senior management and key employees in the Fund and/or Other Accounts could incentivize the Principal, senior management and key employees to increase or decrease the risk profile of the Fund.

Investments in Bitcoin by Investment Manager Personnel

Subject to certain exceptions, the Investment Manager may, for its own accounts, and its principals may, for their own accounts buy and sell Bitcoin other than through the Fund and/or the Related Investment Vehicles. Other employees of the Investment Manager and its affiliates are permitted to purchase Bitcoin outside the Fund and/or the Related Investment Vehicles.

The Investment Manager, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Fund.

Allocations of Trades and Investment Opportunities

It is the policy of the Investment Manager to allocate investment opportunities to the Fund and to any Other Accounts on a fair and equitable basis, to the extent practical and in accordance with the Fund's or Other Accounts' applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those Accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with an Account's objectives; (ii) the potential for the proposed investment to create an imbalance in an Account's portfolio; (iii) the liquidity requirements of an Account; (iv) potentially adverse

tax consequences; (v) regulatory restrictions that would or could limit an Account's ability to participate in a proposed investment; and (vi) the need to re-size risk in an Account's portfolio.

Order Aggregation and Average Pricing

If the Investment Manager purchases or sells Bitcoin for the Fund and any Other Accounts, the Investment Manager may, but is not obligated to, purchase or sell Bitcoin on behalf of such Accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Account will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each Account's participation in the order (or allocation in the event of a partial fill) as determined by the Investment Manager. In the event of a partial fill, allocations may be modified on a basis that the Investment Manager deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Investment Manager. As a result, certain Bitcoin trades for one Account (including an Account in which the Investment Manager and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Cross Trades

The Investment Manager may determine that it would be in the best interests of the Fund and one or more Other Accounts to transfer Bitcoin from one Account to another (each such transfer, a "Cross Trade") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Accounts, to satisfy redemption requests by transferring to an Account with subscription requests, or to reduce transaction costs that may arise in an open market transaction. If the Investment Manager decides to engage in a Cross Trade, the Investment Manager will determine that the trade is in the best interests of both of the Accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Accounts. A cross transaction between two fund clients may occur as an "internal cross", where the Investment Manager instructs the custodian for the Accounts to book the transaction at the price determined in accordance with the Investment Manager's valuation policies. If the Investment Manager effects an internal cross, the Investment Manager will not receive any fee in connection with the completion of the transaction.

Principal Transactions

To the extent that Cross Trades may be viewed as principal transactions (as such term is used under the Advisers Act) due to the ownership interest in an Account by the Investment Manager or its personnel, the Investment Manager will comply with the requirements of Section 206(3) of the Advisers Act. In connection with principal transactions, Cross Trades, related-party transactions and other transactions and matters involving potential conflicts of interest, the Board of Directors is authorized to select one or more persons who are not affiliated with the Investment Manager to serve on an Advisory Committee, the purpose of which is to consider and, on behalf

of the Shareholders and, if desired by the Board of Directors, the investors in any other feeder fund in the Fund, approve or disapprove, to the extent required by applicable law or deemed advisable by the Board of Directors, such transactions and conflicts of interest. The Advisory Committee may approve of such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, their consummation. In no event will any such transaction be entered into unless it complies with applicable law. The member(s) of the Advisory Committee shall be exculpated and indemnified by the Fund for any Indemnified Losses, except for any Indemnified Losses that are Judicially Determined to be primarily attributable to the Fraud of such member of the Advisory Committee. Any decision of the Advisory Committee will be binding on all Shareholders.

Trade Errors

The Fund may on occasion experience errors with respect to trades made on its behalf. Trade errors may include, for example, (i) the placement of orders (either purchases or sales) in excess of the amount of Bitcoin the Fund intended to trade; (ii) the sale of Bitcoin when it should have been purchased; (iii) the purchase of Bitcoin when it should have been sold; (iv) the purchase or sale of Bitcoin contrary to regulatory restrictions or Fund investment guidelines or restrictions; (v) incorrect allocations of trades; and (vi) keystroke errors that occur when entering trades into an electronic trading system. Trade errors may result in losses or gains. The Investment Manager generally will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. However, this may not be practicable with respect to Bitcoin. To the extent an error is caused by a counterparty, the Investment Manager will seek to recover any losses associated with such error from the counterparty. Pursuant to the exculpation and indemnification provided by the Fund to the Investment Manager and its affiliates and personnel, the Investment Manager and its affiliates and personnel will generally not be liable to the Fund for any act or omission, absent bad faith, Gross Negligence, willful misconduct or Fraud and the Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund, absent bad faith, Gross Negligence, willful misconduct or Fraud. As a result of these provisions, the Fund (and not the Investment Manager) will benefit from any gains resulting from trade errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent bad faith, Gross Negligence, willful misconduct or Fraud. The Investment Manager will reimburse the Fund for losses for which the Investment Manager is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by the Investment Manager on behalf of the Fund, investors should assume that trade errors (and similar errors) will occur and that, to the extent permitted by law and under the Fund Documents, the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not Gross Negligence) of the Investment Manager's personnel.

Side Letters

The Fund, and in certain cases the Investment Manager, will have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of this Memorandum or the Fund Documents to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, the Fund may create additional Tranches of Shares for certain Shareholders that provide for, among other things, (i) different or more favorable redemption rights, such as more frequent redemptions

or shorter redemption notice periods, (ii) greater information than may be provided to other Shareholders, (iii) different fee or incentive compensation terms, (iv) more favorable transfer rights and (v) key-person notifications. Certain such waivers, modifications or grants of special or more favorable rights may also be effected by the Fund, and, in certain cases, the Investment Manager, through agreements ("Side Letters"). Although certain Shareholders may invest in the Fund with different material terms, the Fund and the Investment Manager generally will only offer such terms if they believe other Shareholders in the Fund will not be materially disadvantaged. The Fund may create additional Tranches of Shares, and the Fund, or in certain cases the Investment Manager, may enter into Side Letters with Shareholders without providing prior notice to, or receiving consent from, other Shareholders.

The Investment Manager Could Have Different Compensation Arrangements with Other Accounts

The Investment Manager could be subject to a conflict of interest because varying compensation arrangements among the Fund and Other Accounts could incentivize the Investment Manager to manage the Fund and such Other Accounts differently. These and other differences could make the Fund less profitable to the Investment Manager than certain Other Accounts.

Selection of Exchanges and Counterparties; Affiliated Bitcoin Service Providers

The Investment Manager may be subject to conflicts relating to its selection of Bitcoin intermediaries, exchanges and counterparties on behalf of the Fund. Portfolio transactions for the Fund will be allocated to intermediaries, exchanges and counterparties on the basis of numerous factors and not necessarily lowest pricing. Intermediaries, exchanges and counterparties may provide other services that are beneficial to the Investment Manager or Other Accounts, but not necessarily beneficial to the Fund.

In addition, the Investment Manager, its affiliates and/or Other Accounts may invest in or establish Bitcoin exchanges or other Bitcoin service providers, including businesses that focus on storage, security and custody of Bitcoin. The Investment Manager may cause the Fund to transact with such affiliated service providers. Such affiliated service providers will receive compensation when effecting Bitcoin transactions on behalf of the Fund.

Shareholders will have no right to request which Bitcoin service providers, intermediaries, exchanges and counterparties the Fund transacts with or invests in, and should not expect the Fund to accommodate any such requests.

Service Providers

The Administrator and other service providers may also provide services to other vehicles with similar investment programs and, accordingly, may have conflicts of interest. In addition, subject to applicable law, any of the service providers may deal, as principal or agent, with the Fund; *provided*, that such dealings are on normal commercial terms negotiated on an arm's-length basis. The Fund's service providers and their principals, employees or affiliates may trade in Bitcoin and/or other alternative currencies outside of the Fund, which may conflict or compete with the Fund, including by buying or selling Bitcoin when the Fund is doing the opposite.

Conflicts Relating to the Directors of the Fund

The directors of the Fund are not required to devote their full time and attention to the business of the Fund and may serve as directors of other investment vehicles. Accordingly, to the extent that the interests of the Fund and such other investment vehicles are inconsistent, such directors may have a conflict of interest.

Diverse Investor Base

The Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Fund. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager that may be more beneficial for one Shareholder than for another Shareholder. In operating the Fund, the Investment Manager will consider the investment and tax objectives of the Fund as a whole, not the investment, tax or other objectives of any Shareholder individually. Consequently, the Investment Manager may make decisions from time to time that may be more beneficial to one type of Shareholder than another. For example, such decisions may (directly or indirectly) be more beneficial to Shareholders affiliated with the Investment Manager than to other Shareholders.

NET ASSET VALUE

The net asset value of a Tranche of Shares will be equal to the excess of the value of the assets over the value of the liabilities attributable to such Tranche as of any date of determination. The net asset value per Share of a Tranche is determined by dividing the net asset value of each Tranche by the number of Shares thereof. The net asset value of the Fund or a Tranche of Shares will generally be determined daily and at such other times as determined by the Board of Directors.

The Investment Manager will establish policies from time to time to value the investments held by the Fund. The Investment Manager has, at present, established the policies described below. The Board has ultimate responsibility for oversight of the valuation process and reviews and approves, at least annually, the Fund's valuation policies and procedures applied by the Investment Manager.

For purposes of subscriptions, redemptions, Management Fees and Realization Fees, the net asset value of the Fund's Bitcoin will be calculated incorporating TWAP. To determine the TWAP for each day, the Investment Manager will calculate the average price of Bitcoin in U.S. dollars on the Exchanges over the relevant Business Day.

Notwithstanding the foregoing, the net asset value reported in the Fund's annual audited financial statements will be valued in accordance with GAAP, and thus, will be calculated based on the price of Bitcoin set by the Exchange representing the principal market, in the Investment Manager's sole discretion, on the last day of each Fiscal Year. As a result, the net asset value reported in the Fund's audited financial statements may differ from the net asset value used for purposes of calculating subscription or redemption valuations, Management Fees and Realization Fees and reflected in each Shareholder's net asset value statements.

There is no guarantee that the value determined with respect to Bitcoin by the Investment Manager will represent the value that will be realized by the Fund on the eventual disposition of such Bitcoin or that would, in fact, be realized upon an immediate disposition of Bitcoin. (See "Selection of Exchanges and Counterparties; Affiliated Bitcoin Service Providers.")

All determinations made by the Investment Manager with respect to net asset value, TWAP and Median Trading Volume will be conclusive and binding. Shareholders will be provided with notice of any material modification to the valuation procedures set forth above and as further described herein.

THE ADMINISTRATOR

The Fund has entered into an administration agreement (the "Administration Agreement"), with SEI Global Services, Inc. (the "Administrator") pursuant to which the Administrator performs certain administrative and accounting services for the Fund, subject to the oversight and control of the Investment Manager.

Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the Investment Manager, for certain matters pertaining to the day-to-day administration of the Fund including, but not limited to: (a) maintaining books and records related to Fund cash reconciliations, and portfolio transactions; (b) preparation of financial statements and other reports for the Fund; (c) calculating the net asset value of the Fund (in accordance with the Investment Manager's valuation policies and procedures); (d) preparing certain reports to investors; (e) calculating fees payable or allocable to the Investment Manager (as applicable); (f) reviewing Subscription Documents and withdrawal requests and performing various other transfer agency and investor services; and (g) performing certain other administrative and clerical services in connection with the administration of the Fund pursuant to the terms of the Administration Agreement. For purposes of determining net asset value, the Administrator will follow the valuation policies and procedures adopted by the Fund and the Investment Manager.

The fees payable to the Administrator will be based on the schedule of fees charged by the Administrator, calculated by reference to the net asset value of the Fund and as detailed in the Administration Agreement. The Fund may elect to terminate the Administration Agreement (in accordance with the terms thereof) and enter into a new agreement with a new administrator on behalf of the Fund, in its discretion and on such terms as it deems advisable, without prior notice to, or approval of, the Investors.

The Administration Agreement provides that the Administrator may delegate some or all of its administrative functions on behalf of the Fund to one or more third parties, and also provides for certain limitations of the Administrator's liability and indemnification of the Administrator by the Fund.

The Administrator in no way acts or will act as guarantor or offeror of interests in the Fund or any underlying investment, nor will it be responsible for the actions of the Fund's sales agents, its brokers, its custodians, any other brokers or the Investment Manager. The Administrator will not be responsible for any trading decisions of the Investment Manager or the Fund. The Administrator will not be responsible in any way for the Fund's selection or ongoing

monitoring of its brokers, custodians or other counterparties. The decision to select any counterparties on behalf of the Fund will be made solely by the Investment Manager.

THE ADMINISTRATOR WILL NOT PROVIDE ANY INVESTMENT ADVISORY OR INVESTMENT MANAGEMENT SERVICES TO THE FUND AND, THEREFORE, WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE FUND'S PERFORMANCE. THE ADMINISTRATOR WILL NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH ANY INVESTMENT RESTRICTIONS APPLICABLE TO THE FUND AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF.

TAX ASPECTS

The following is a summary of certain aspects of the income taxation of the Fund and its Shareholders which should be considered by a prospective Shareholder. The Fund has not sought a ruling from the Internal Revenue Service (the "Service") or any other Federal, state or local agency with respect to any of the tax issues affecting the Fund, nor has it obtained an opinion of counsel with respect to any tax issues.

This summary of certain aspects of the Federal income tax treatment of the Fund is based upon the Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, Treasury Regulations (the "Regulations") and rulings in existence on the date hereof, all of which are subject to change. This summary also does not discuss the impact of various proposals to amend the Code which could change certain of the tax consequences of an investment in the Fund. This summary does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the Federal income tax laws, such as insurance companies.

EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT WITH ITS OWN TAX ADVISOR IN ORDER TO FULLY UNDERSTAND THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

In addition to the particular matters set forth in this section, tax-exempt organizations should review carefully those sections of the Memorandum regarding liquidity and other financial matters to ascertain whether the investment objectives of the Fund are consistent with their overall investment plans. Each prospective tax-exempt Shareholder is urged to consult its own counsel regarding the acquisition of Shares.

Virtual Currency Tax Implications

On March 25, 2014, the Service issued a notice regarding certain U.S. federal tax implications of transactions in, or transactions that use, virtual currency. According to the Notice, virtual currency is treated as property, not currency, for U.S. federal tax purposes, and "[g]eneral tax principles applicable to property transactions apply to transactions using virtual currency." In part, the Notice provides that the character of gain or loss from the sale or exchange of virtual currency depends on whether the virtual currency is a capital asset in the hands of the taxpayer.

Accordingly, in the U.S., certain transactions in virtual currency are taxable events and subject to information reporting to the Service to the same extent as any other payment made in property.

Additionally, the Service recently issued a revenue ruling regarding certain tax consequences of "hard forks" and "airdrops" of a virtual currency (the "Revenue Ruling"). The Revenue Ruling provides that a taxpayer does not have gross income as a result of a hard fork of a virtual currency the taxpayer owns if the taxpayer does not receive units of a new virtual currency. However, an airdrop of a new virtual currency following a hard fork generally results in ordinary income to the taxpayer if the taxpayer receives units of new virtual currency.

Although the Service has issued the Notice and Revenue Ruling, the U.S. Department of Treasury and the Service may publish future guidance that provides for adverse tax consequences to the Fund and investors in the Fund. Shareholders should be aware that tax laws and Regulations change on an ongoing basis, and that they may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result, the U.S. Federal tax consequences of investing in the Fund are uncertain.

Tax Treatment of Fund Operations

Classification of the Fund. The Fund intends at no time to have more than 100 partners (within the meaning of Regulations Section 1.7704-1(h)) and to operate as a partnership for Federal tax purposes that is not a publicly traded partnership taxable as a corporation. If it were determined that the Fund should be taxable as a corporation for Federal tax purposes (as a result of changes in the Code, the Regulations or judicial interpretations thereof, a material adverse change in facts, or otherwise), it would be treated as a "passive foreign investment company" and may be treated as a "controlled foreign corporation", which can result in certain adverse tax consequences to some investors, in addition, the Fund would be subject to U.S. income and branch profits tax on its income and gain, if any, which is effectively connected with a U.S. trade or business, in addition to U.S. withholding taxes on certain U.S. source payments.

As a partnership, the Fund generally is not itself subject to Federal income tax (see, however, "Tax Elections; Returns; Tax Audits" below). The Fund files an annual partnership information return with the Service which reports the results of operations. Each Shareholder is required to report separately on its income tax return its distributive share of the Fund's net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss. Each Shareholder is taxed on its distributive share of the Fund's taxable income and gain regardless of whether such Shareholder has received or will receive a distribution from the Fund. As a result, a Shareholder may have a tax liability for any year with respect to income from the Fund, without receiving a corresponding distribution from the Fund.

Contribution of Bitcoin. The Investment Manager may accept contributions of Bitcoin from a Shareholder ("Contributed Bitcoin") in its sole discretion. In such event, a contributing Shareholder will be required to provide to the Fund the acquisition date and tax basis of such Bitcoin as well as any other information regarding such Bitcoin as shall be required by the Investment Manager.

Allocation of Profits and Losses. Under the Articles of Association, the Fund's net capital appreciation or net capital depreciation for each accounting period is allocated among the Shareholders and to their capital accounts without regard to the amount of income or loss actually recognized by the Fund for Federal income tax purposes. The Articles of Association provide that items of income, deduction, gain, loss or credit recognized by the Fund for each fiscal year generally are to be allocated for income tax purposes among the Shareholders pursuant to the principles of Regulations issued under Sections 704(b) and 704(c) of the Code, based upon amounts of the Fund's net capital appreciation or net capital depreciation allocated to each Shareholder's capital account for the current and prior fiscal years. A Shareholder that contributes property other than cash to the Fund will be specially allocated items of income, deduction, gain, loss or credit attributable to such property to the extent of the difference, if any, between the book value and the adjusted tax basis of the property at the time of such contribution. There can be no assurance, however, that the particular methodology of allocations used by the Fund will be accepted by the Service. If such allocations are successfully challenged by the Service, the allocation of the Fund's tax items among the Shareholders may be affected.

Under the Articles of Association, the Investment Manager has the discretion to allocate specially an amount of the Fund's ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) for Federal income tax purposes to a redeeming Shareholder to the extent that the Shareholder's capital account exceeds, or is less than, as the case may be, its Federal income tax basis in its Shares. There can be no assurance that, if the Investment Manager makes any such special allocations, the Service will accept such allocations. If such allocations are successfully challenged by the Service, the Fund's tax items allocable to such Shareholder and to the remaining Shareholders would be affected.

Tax Elections; Returns; Tax Audits. The Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754. Under the Articles of Association, the Investment Manager, in its sole discretion, may cause the Fund to make such an election. Any such election, once made, cannot be revoked without the Service's consent. As a result of the complexity and added expense of the tax accounting required to implement such an election, the Investment Manager presently does not intend to make such election.

The Investment Manager decides how to report the partnership items on the Fund's tax returns. In certain cases, the Fund may be required to file a statement with the Service disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Shareholders are required under the Code to treat the partnership items consistently on their own returns, unless they file a statement with the Service disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which the Fund's items have been reported. In the event the income tax returns of the Fund are audited by the Service, the tax treatment of the Fund's income and deductions generally is determined at the Fund level in a single proceeding rather than by individual audits of the Shareholders. The Investment Manager, or such other person designated by the Investment Manager to serve as the Fund's partnership representative in the event of an audit by the Service, has considerable authority to make decisions affecting the tax

treatment of all Shareholders, including extending the statute of limitations with respect to Fund items and settling any such audit.

An audit adjustment to the Fund's tax return for any tax year beginning after 2017 (a "Prior Year") could result in a tax liability (including interest and penalties) imposed on the Fund for the year during which the adjustment is determined (the "Current Year"). The tax liability generally is determined by using the highest tax rates under the Code applicable to U.S. taxpayers although the Fund may be able to use a lower rate to compute the tax liability by taking into account (to the extent it is the case and the implementing rules permit) that the Fund has certain tax-exempt and foreign investors. Alternatively, the Fund may be able to elect with the Service to pass through such adjustments for any year to the investors who participated in the Fund for the Prior Year, in which case each Prior Year participating investor (or, in certain situations, indirect U.S. owners of a foreign investor that is a "controlled foreign corporation" or a "passive foreign investment company"), and not the Fund, would be responsible for the payment of any tax deficiency, determined after including its share of the adjustments on its tax return for that year. If such an election is made by the Fund, interest on any deficiency will be at a rate that is 2 percentage points higher than the otherwise applicable interest rate on tax underpayments. If such an election is not made, Current Year investors may bear the tax liability (including interest and penalties) arising from audit adjustments at significantly higher rates and in amounts that are unrelated to their Prior Year economic interests in the partnership items that were adjusted.

Mandatory Basis Adjustments. The Fund is generally required to adjust its tax basis in its assets in respect of all Shareholders in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of \$250,000) in respect of the Fund's property. The Fund is also required to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an interest, or a transfer upon death, when there exists immediately after the transfer a "substantial built-in loss" (i.e., in excess of \$250,000) in respect of partnership property or the transferee would be allocated a loss of more than \$250,000 upon a disposition of all of the partnership's assets at fair market value. For this reason, the Fund will require (i) a Shareholder who receives a distribution from the Fund in connection with a complete redemption, (ii) a transferee of Shares (including a transferee in case of death) and (iii) any other Shareholder in appropriate circumstances to provide the Fund with information regarding its adjusted tax basis in its Shares.

Tax Consequences to a Redeeming Shareholder

Distributions within Two Years. If a partner who has contributed appreciated property to a partnership receives a distribution of any other property or cash within two years of the contribution, based on the applicable facts and circumstances, the distribution may cause the partner to recognize gain as of the original date of contribution with respect to his or her Contributed Bitcoin under the "disguised sale" provisions of Section 707(a)(2)(B) of the Code. Shareholders should consult their own tax advisors concerning whether such redemptions within two years of the contribution of property should be treated as "disguised sales" for these purposes. Regulations require a Shareholder who does not treat such redemptions as "disguised sales" to disclose such person's tax treatment of those items to the Service.

Distributions of Cash. Except as provided above, a Shareholder receiving a cash liquidating distribution from the Fund, in connection with a complete redemption from the Fund, generally will recognize capital gain or loss to the extent of the difference between the proceeds received by such Shareholder and such Shareholder's adjusted tax basis in its Shares. Such capital gain or loss will be short-term, long-term or some combination of both, depending upon the timing of the Shareholder's contributions to the Fund. However, a redeeming Shareholder will recognize ordinary income to the extent such Shareholder's allocable share of the Fund's "unrealized receivables" exceeds the Shareholder's basis in such unrealized receivables (as determined pursuant to the Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by the Fund will be treated as an unrealized receivable, with respect to which a redeeming Shareholder would recognize ordinary income. A Shareholder receiving a cash nonliquidating distribution will recognize income in a similar manner only to the extent that the amount of the distribution exceeds such Shareholder's adjusted tax basis in its Shares.

As discussed above, the Articles of Association provide that the Investment Manager may specially allocate items of Fund ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) to a redeeming Shareholder to the extent its capital account would otherwise exceed or be less than, as the case may be, its adjusted tax basis in its Shares. Such a special allocation of income or gain may result in the redeeming Shareholder recognizing ordinary income and/or capital gain, which may include short-term capital gain, in the Shareholder's last taxable year in the Fund, thereby reducing the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon redeeming. Such a special allocation of deduction or loss may result in the redeeming Shareholder recognizing ordinary loss and/or capital loss, which may include long-term capital loss, in the Shareholder's last taxable year in the Fund, thereby reducing the amount of short-term capital loss recognized during the tax year in which it receives its liquidating distribution upon redeeming.

Distributions of Property. Subject to the discussion below, a partner's receipt of a distribution of property from a partnership is generally not taxable. However, under Section 731 of the Code, a distribution consisting of marketable securities generally is treated as a distribution of cash (rather than property) unless the distributing partnership is an "investment partnership" within the meaning of Section 731(c)(3)(C)(i) of the Code and the recipient is an "eligible partner" within the meaning of Section 731(c)(3)(C)(iii) of the Code. If the Fund qualifies as an "investment partnership" and a Shareholder is an "eligible partner," which term should include a Shareholder whose contributions to the Fund consisted solely of cash, the rule treating a distribution of property as a distribution of cash would not apply. In the absence of guidance, it is not clear whether Bitcoin are treated as "marketable securities" for these purposes, and whether the Fund will qualify as an "investment partnership."

Effect on Contributing Shareholders of Distribution of Bitcoin to Contributing Shareholder within Seven Years of the Date of Contribution. If a Shareholder contributes appreciated Bitcoin to the Fund and, within seven years of the date of contribution, that Shareholder receives a distribution of any property other than such Shareholder's Contributed Bitcoin, such Shareholder generally will be required to recognize gain upon the receipt of such other property. The amount of the gain is equal to the least of (a) the excess of the fair market value of the distributed property over the adjusted tax basis of such Shareholder's interest in the

Fund immediately before the distribution, reduced by the amount of money received in the distribution; (b) the excess of the fair market value of such Shareholder's Contributed Bitcoin over their adjusted tax basis at the time they were contributed to the Fund or (c) the excess of the fair market value of such Shareholder's Contributed Bitcoin over their adjusted tax basis in the hands of the Fund, at the time of the distribution of such other property. Shareholders should note that, in the event of a distribution of Bitcoin to a Shareholder, the Fund may not be able to distribute such Shareholder's Contributed Bitcoin to the redeeming Shareholders.

Effect on Contributing Shareholders of Distribution of Bitcoin to "Non-Contributing" Shareholder within Seven Years of the Date of Contribution. If Contributed Bitcoin are distributed within seven years of the date of contribution to any Shareholder other than the Shareholder who contributed such Bitcoin ("Shifted Bitcoin"), the contributing Shareholder must generally recognize a taxable gain or loss in the year of distribution. The amount of such gain or loss would generally equal the lesser of (a) the difference between the fair market value of the Shifted Bitcoin at the time such Shifted Bitcoin had been contributed to the Fund and the contributing Shareholder's tax basis in such Shifted Bitcoin or (b) the difference between the fair market value of the Shifted Bitcoin and their adjusted tax basis in the hands of the Fund at the time of their distribution.

Tax Treatment of Fund Investments

In General. The Fund expects to act as an investor, and not as a dealer, with respect to its transactions. An investor is a person who buys and sells assets for its own account. A dealer, on the other hand, is a person who purchases assets for resale to customers rather than for investment or speculation.

Generally, the gains and losses realized by an investor on the sale of capital assets are capital gains and losses. As noted earlier, the Notice issued by the Service provides that a virtual currency, such as Bitcoin, is treated as property, not currency, for U.S. federal income tax purposes, and that general tax principles applicable to property transactions apply to transactions using Bitcoin. As such, the Fund intends to treat Bitcoin as capital assets for U.S. federal income tax purposes, including for tax reporting purposes.

Capital gains and losses recognized by the Fund may be long-term or short-term depending, in general, upon the length of time the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one year generally will be eligible for long-term capital gain or loss treatment. The Fund may also realize ordinary income and losses with respect to its transactions.

The income tax rate for corporations is 21%. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

The maximum ordinary income tax rate for individuals is 37%¹ and, in general, the maximum individual income tax rate for "Qualified Dividends"² and long-term capital gains is 20% (unless the taxpayer elects to be taxed at ordinary rates - see "Limitation on Deductibility of Interest and Short Sale Expenses" below). The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual deduction limitation of \$3,000. Capital losses of an individual taxpayer may generally be carried forward to succeeding tax years to offset capital gains and then ordinary income (subject to the \$3,000 annual limitation). (See, however, "Limitation on Deductibility of Net Losses" below.)

An individual may be entitled to deduct up to 20% of such individual's "qualified business income" each year. However, it is not anticipated that income from the Fund will constitute qualified business income.

In addition, individuals, estates and trusts are subject to a Medicare tax of 3.8% on net investment income ("NII") (or undistributed NII, in the case of estates and trusts) for each such taxable year, with such tax applying to the lesser of such income or the excess of such person's adjusted gross income (with certain adjustments) over a specified amount.³ NII includes net income from interest, dividends, annuities, royalties and rents and net gain attributable to the disposition of investment property. It is generally anticipated that net income and gain attributable to an investment in the Fund will be included in an investor's NII subject to this Medicare tax. However, the calculation of NII for purposes of the Medicare tax and taxable income for purposes of the regular income tax may be different. Furthermore, the Medicare tax and the regular income tax may be due in different taxable years with respect to the same income. The application of the tax (and the availability of particular elections) is quite complex. Shareholders are urged to consult their tax advisers regarding the consequences of these rules in respect of their investments.

The Fund may engage in Bitcoin lending transactions. The tax treatment of lending Bitcoin is uncertain. While, the Fund expects the lending of Bitcoin not to be treated as a taxable disposition of such Bitcoin, there is no assurance that the Service will agree. If the lending of Bitcoin were determined to be treated as taxable dispositions of such Bitcoin, the Fund generally would recognize any built-in gain or loss in such Bitcoin.

The Fund may also realize ordinary income and losses with respect to its transactions. As described above, the Revenue Ruling provides that airdrops of virtual currency may result in ordinary income to the recipient. If the Fund were to receive an airdrop of virtual currency in respect of its Bitcoin, the Fund generally will recognize ordinary income with respect

¹ The maximum rate for ordinary income for individuals is scheduled to increase to 39.6% in 2026.

² A "Qualified Dividend" is generally a dividend from certain domestic corporations, and from certain foreign corporations that are either eligible for the benefits of a comprehensive income tax treaty with the United States or are readily tradable on an established capital assets market in the United States. Shares must be held for certain holding periods in order for a dividend thereon to be a Qualified Dividend.

³ The amount is \$250,000 for married individuals filing jointly, \$125,000 for married individuals filing separately, \$200,000 for other individuals and the dollar amount at which the highest income tax bracket for estates and trusts begins.

thereto. Additionally, fees or other payments received in consideration for the Fund lending Bitcoin generally will be taxed as ordinary income.

Limitation on Deductibility of Interest Expenses. For noncorporate taxpayers, Section 163(d) of the Code limits the deduction for "investment interest" (*i.e.*, interest expenses for "indebtedness properly allocable to property held for investment"). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer's "net investment income," consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, Qualified Dividends and long-term capital gains are excluded from net investment income unless the taxpayer elects to pay tax on such amounts at ordinary income tax rates.

For purposes of this provision, the Fund's activities will be treated as giving rise to investment income for a Shareholder, and the investment interest limitation would apply to a noncorporate Shareholder's share of the interest and short sale expenses attributable to the Fund's operation. Such noncorporate Shareholder would be denied a deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to interest and short sale expenses unless it had sufficient investment income from all sources including the Fund. A Shareholder that could not deduct losses currently as a result of the application of Section 163(d) would be entitled to carry forward such losses to future years, subject to the same limitation. The investment interest limitation would also apply to interest paid by a noncorporate Shareholder on money borrowed to finance its investment in the Fund. Potential investors are advised to consult with their own tax advisors with respect to the application of the investment interest limitation in their particular tax situations.

Limitation on Deductibility of Business Interest Expense. Section 163(j) of the Code limits the deduction of business interest expense attributable to a trade or business generally to the sum of the taxpayer's (x) business interest income and (y) 30% of adjusted taxable income relating to a trade or business (calculated by excluding business interest expense and business interest income).

"Business interest expense" includes, among other items, substitute interest payments made in connection with a securities lending or repurchase agreement that is not entered into in connection with the ordinary course of the taxpayer's trade or business. Any business interest expense not deductible pursuant to the foregoing limitation is treated as business interest expense of the taxpayer that carries forward to succeeding taxable years, subject to the same limitation.

The Fund expects that Shareholders for whom the investment interest rules apply in respect of their interest in the Fund, such as certain noncorporate Shareholders (see "Limitation on Deductibility of Interest Expenses" above), generally will not be treated as subject to the business interest expense limitations determined by the Fund, other than with respect to business interest expense passed through to the Fund by an underlying partnership, if any, that is engaged in certain trades or businesses.

The determination of what constitutes business interest expense in respect of the Fund's operations is determined at the partnership level. As described above, the Fund does not

expect to be a trader with respect to its transactions. Nevertheless, this limitation will still be applicable to corporate investors in the Fund.

Potential investors are advised to consult with their own tax advisors with respect to the application of the business interest expense limitation to their particular tax situations.

Deductibility of Fund Investment Expenditures and Certain Other Expenditures.

Investment expenses (e.g., investment advisory fees) of an individual, trust or estate are not deductible. For taxable years beginning after 2025, such expenses would be deductible only to the extent they exceed 2% of adjusted gross income, would be further restricted in their deductibility for individuals with an adjusted gross income in excess of a specified amount and would not be deductible in calculating its alternative minimum tax liability.

Pursuant to Temporary Regulations issued by the Treasury Department, these limitations on deductibility will likely apply to a noncorporate Shareholder's share of certain expenses of the Fund including the Management Fee, the Realization Fee and the fee paid to the Administrator.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, noncorporate Shareholders should consult their tax advisors with respect to the application of these limitations.

A Shareholder will not be allowed to deduct syndication expenses, including placement fees paid by such Shareholder or the Fund. Any such amounts will be included in the Shareholder's adjusted tax basis for its Shares.

Application of Rules for Income and Losses from Passive Activities. The Code restricts the deductibility of losses from a "passive activity" against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporations. Pursuant to Temporary Regulations issued by the Treasury Department, income or loss from the Fund's investment and trading activity, if any, generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against a Shareholder's share of such income and gain from the Fund.

Limitation on Deductibility of Net Losses. In the case of a noncorporate taxpayer, any net business loss for any taxable year beginning during the period 2021 through 2025 may not be used to offset nonbusiness income in excess of \$250,000 (\$500,000 in the case of a married couple filing jointly). Inasmuch as the Fund does not expect to be a trader, a noncorporate Shareholder's trade or business losses incurred during a year outside of the Fund (other than capital loss) generally could not be deducted against its share of the Fund's net income for such year. Even if the Fund is not considered to be a trader, any ordinary trading losses incurred by a partnership in which the Fund invests, if any, will be subject to the same limitations when allocated to a noncorporate Shareholder.

Application of Basis and "At Risk" Limitations on Deductions. The amount of any loss of the Fund that a Shareholder is entitled to include in its income tax return is limited to its adjusted tax basis in its Shares as of the end of the Fund's taxable year in which such loss occurred. Generally, a Shareholder's adjusted tax basis for its Shares is equal to the amount paid for such

Shares, increased by the sum of (i) its share of the Fund's liabilities, as determined for Federal income tax purposes, and (ii) its distributive share of the Fund's realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of Fund liabilities) made by the Fund to such Shareholder and (ii) such Shareholder's distributive share of the Fund's realized losses and expenses.

Similarly, a Shareholder that is subject to the "at risk" limitations (generally, noncorporate taxpayers and closely held corporations) may not deduct losses of the Fund to the extent that they exceed the amount such Shareholder has "at risk" with respect to its Shares at the end of the year. The amount that a Shareholder has "at risk" will generally be the same as its adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Fund or any amount borrowed by the Shareholder on a non-recourse basis.

Losses denied under the basis or "at risk" limitations are suspended and may be carried forward to subsequent taxable years, subject to these and other applicable limitations.

U.S. Withholding Taxes

Certain payments, including fees paid in connection with Bitcoin lending transactions, received by the Fund from sources within the United States may be subject to withholding taxes imposed by the United States. The Shareholders will be informed by the Fund as to their proportionate share of the U.S. taxes paid by the Fund, if any, which they will be required to include in their income. The Shareholders should be entitled to claim an unrestricted credit or refund for their share of such U.S. taxes in computing their own Federal income tax liability.

Reporting Requirements

Regulations generally impose an information reporting requirement on a U.S. person's direct and indirect contributions of cash or property to a foreign partnership such as the Fund where, (i) immediately after the contribution, the U.S. person owns (directly, indirectly or by attribution) at least a 10% interest in the foreign partnership or (ii) the value of the cash and/or property transferred during the twelve-month period ending on the date of the contribution by the transferor (or any related person) exceeds \$100,000. In addition, to the extent not included in the reporting requirement described above, a U.S. person is required to file an information return with the Service (a) if such person directly acquires or disposes of at least a 10% interest in a foreign partnership such as the Fund (e.g., from 11% to 21% or from 21% to 11%), (b) if such person who did not own a 10% or greater direct interest in the partnership acquires (directly and/or as a result of redemptions by other partners) an interest and, as a result of the acquisition, the person owns a 10% or greater direct interest in the partnership (e.g., from 9% to 11%); (c) any time such person who owns a 10% or greater direct interest in the partnership disposes (directly and/or as a result of the issuance of interests to other partners) of an interest and, as a result of the disposition, the person owns less than a 10% direct interest (e.g., from 11% to 8%); or (d) if such person's direct proportional interest has increased or decreased by at least the equivalent of a 10% interest in the partnership. Furthermore, if a U.S. person was required to report a transfer to a foreign partnership of appreciated property under the first sentence of this paragraph, and the foreign partnership disposes of the property while such U.S. person remains a direct or indirect partner, that U.S. person must report the disposition by the partnership.

Regulations also generally impose an annual reporting requirement on U.S. persons owning, at any time during the taxable year, 10% or more of the profits or capital of a "U.S. controlled" foreign partnership. For purposes of this provision, a foreign partnership is "U.S. controlled" if one or more U.S. persons owning 10% or more of the profits or capital of the partnership own, in the aggregate, more than 50% of the profits or capital of the partnership. Alternatively, if one U.S. person owns, at any time during the taxable year, more than 50% of the profits or capital of a foreign partnership, such person, rather than the 10% partners (if any), is required to comply with the annual reporting requirement. For purposes of this paragraph, "ownership" of a partnership interest includes interests owned directly, indirectly and by attribution.

U.S. individuals, as well as certain closely held U.S. entities where at least 50% of such entities' assets are, or at least 50% of their gross income comes from, passive assets such as an investment in the Fund, will generally be required to make additional tax filings if their aggregate investment in foreign financial accounts, including non-U.S. entities such as the Fund, exceeds \$50,000. Such filing requirements may be extended to additional U.S. entities who are deemed to be formed or availed for the purpose of making investments in non-U.S. entities such as the Fund.

Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments

In order to avoid a U.S. withholding tax of 30% on certain payments (which might in the future include payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Fund has registered with the Service and generally will be required to identify, and report information with respect to, certain direct and indirect U.S. account holders (including debtholders and equityholders). The Cayman Islands has signed the US IGA to give effect to the foregoing withholding and reporting rules. So long as the Fund complies with the US IGA and the enabling Cayman Islands legislation, it will not be subject to the related U.S. withholding tax.

A non-U.S. investor in the Fund will generally be required to provide to the Fund information which identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the Cayman TIA. The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Fund or timely register and agree to identify, and report information with respect to, such account holders (as applicable) may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Fund or its agents may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

The foregoing discussion is only a brief summary of certain information reporting and withholding requirements. Substantial penalties may apply if the required reports are not made on time. U.S. Shareholders are urged to consult their own tax advisors concerning these requirements as they relate to their investment in the Fund.

Foreign Taxes

The Fund may be subject to capital gains taxes in some of the foreign countries where it purchases and sells assets. Tax treaties between certain countries and the United States may reduce or eliminate such taxes with respect to the Fund's U.S. Shareholders. It is impossible to predict in advance the rate of foreign tax the Fund will pay since the amount of the Fund's assets to be invested in various countries is not known.

Shareholders will be informed by the Fund as to their proportionate share of the foreign taxes paid by the Fund which they will be required to include in their income. Shareholders generally will be entitled to claim either a credit (subject to the limitations discussed below and provided that, in the case of dividends, the foreign stock is held for the requisite holding period) or, if they itemize their deductions, a deduction (subject to the limitations generally applicable to deductions) for their share of such foreign taxes in computing their Federal income taxes. A Shareholder that is tax exempt will not ordinarily benefit from such credit or deduction.

Generally, a credit for foreign taxes is subject to the limitation that it may not exceed the Shareholder's Federal tax (before the credit) attributable to its total foreign source taxable income. Generally, the source of gain and loss realized upon the sale of personal property will be based on the residence of the seller. In the case of a partnership, the determining factor is the residence of the partner. Thus, absent a tax treaty to the contrary, the gains and losses from the sale of assets allocable to a Shareholder that is a U.S. resident generally will be treated as derived from U.S. sources (even though the assets are sold in foreign countries). For purposes of the foreign tax credit limitation calculation, investors entitled to the reduced tax rates on Qualified Dividends and long-term capital gains described above (see "Tax Treatment of Fund Investments – In General"), must adjust their foreign tax credit limitation calculation to take into account the preferential tax rate on such income to the extent it is derived from foreign sources. Certain currency fluctuation gains, including fluctuation gains from foreign currency denominated assets, will also be treated as ordinary income derived from U.S. sources.

The limitation on the foreign tax credit generally is applied separately to foreign source passive income, such as dividends and interest. In addition, for foreign tax credit limitation purposes, the amount of a Shareholder's foreign source income is reduced by various deductions that are allocated and/or apportioned to such foreign source income. One such deduction is interest expense, a portion of which will generally reduce the foreign source income of any Shareholder who owns (directly or indirectly) foreign assets. For these purposes, foreign assets owned by the Fund will be treated as owned by the investors in the Fund and indebtedness incurred by the Fund will be treated as incurred by investors in the Fund.

Because of these limitations, Shareholders may be unable to claim a credit for the full amount of their proportionate share of the foreign taxes paid by the Fund. In addition, a foreign tax credit generally will not be available to offset the Medicare tax on NII. The foregoing is only

a general description of the foreign tax credit under current law. Moreover, since the availability of a credit or deduction depends on the particular circumstances of each Shareholder, Shareholders are advised to consult their own tax advisors.

Unrelated Business Taxable Income

Generally, an exempt organization is exempt from Federal income tax on its passive investment income, such as dividends, interest and capital gains, whether realized by the organization directly or indirectly through a partnership in which it is a partner.

This general exemption from tax does not apply to the "unrelated business taxable income" ("UBTI") of an exempt organization. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived (either directly or through partnerships) from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the organization's exempt purpose or function. Separate calculations are made for each unrelated trade or business of the exempt organization, with losses incurred during taxable years beginning after 2017 usable only against the applicable unrelated trade or business and not against all UBTI generally. UBTI also includes "unrelated debt-financed income," which generally consists of (i) income derived by an exempt organization (directly or through a partnership) from income-producing property with respect to which there is "acquisition indebtedness" at any time during the taxable year, and (ii) gains derived by an exempt organization (directly or through a partnership) from the disposition of property with respect to which there is "acquisition indebtedness" at any time during the twelve-month period ending with the date of such disposition.

Based upon the limited guidance received from the Service, it is unclear to what extent investment in virtual currency might result in UBTI. As a result, if the Fund receives an airdrop of virtual currency, it is possible that such airdrop may result in UBTI. Additionally, fees paid to the Fund in connection with the lending of Bitcoin may also generate UBTI. Investors are advised to consult their own tax advisors with respect to the foregoing.

The Fund may incur "acquisition indebtedness" with respect to certain of its transactions. To the extent the Fund recognizes income (i.e., dividends and interest) from assets with respect to which there is "acquisition indebtedness" during a taxable year, the percentage of such income which will be treated as UBTI generally will be based on the percentage which the "average acquisition indebtedness" incurred with respect to such assets is of the "average amount of the adjusted basis" of such capital assets during the taxable year.

To the extent the Fund recognizes gain from assets with respect to which there is "acquisition indebtedness" at any time during the twelve-month period ending with the date of their disposition, the percentage of such gain which will be treated as UBTI will be based on the percentage which the highest amount of such "acquisition indebtedness" is of the "average amount of the adjusted basis" of such assets during the taxable year. In determining the unrelated debt-financed income of the Fund, an allocable portion of deductions directly connected with the Fund's debt-financed property is taken into account. Thus, for instance, a percentage of losses from debt-financed assets (based on the debt/basis percentage calculation described above) would offset gains treated as UBTI.

Since the calculation of the Fund's "unrelated debt-financed income" is complex and will depend in large part on the amount of leverage, if any, used by the Fund from time to time,⁴ it is impossible to predict what percentage of the Fund's income and gains will be treated as UBTI for a Shareholder which is an exempt organization. With respect to losses incurred during taxable years beginning after 2017, an exempt organization's share of the income or gains of the Fund which is treated as UBTI may not be offset by losses of the exempt organization either from the Fund or otherwise, unless such losses are treated as attributable to the unrelated trade or business.

To the extent that the Fund generates UBTI, the applicable Federal tax rate for such a Shareholder generally would be either the corporate or trust tax rate depending upon the nature of the particular exempt organization. An exempt organization may be required to support, to the satisfaction of the Service, the method used to calculate its UBTI. The Fund will be required to report to a Shareholder which is an exempt organization information as to the portion, if any, of its income and gains from the Fund for each year which will be treated as UBTI. The calculation of such amount with respect to transactions entered into by the Fund is highly complex, and there is no assurance that the Fund's calculation of UBTI will be accepted by the Service.

In general, if UBTI is allocated to an exempt organization such as a qualified retirement plan or a private foundation, the portion of the Fund's income and gains which is not treated as UBTI will continue to be exempt from tax, as will the organization's income and gains from other investments which are not treated as UBTI. Therefore, the possibility of realizing UBTI from its investment in the Fund generally should not affect the tax-exempt status of such an exempt organization.⁵ However, a charitable remainder trust will be subject to a 100% excise tax on any UBTI under Section 664(c) of the Code. A title-holding company will not be exempt from tax if it has certain types of UBTI. Moreover, the charitable contribution deduction for a trust under Section 642(c) of the Code may be limited for any year in which the trust has UBTI. A prospective investor should consult its tax advisor with respect to the tax consequences of receiving UBTI from the Fund.

Certain Issues Pertaining to Specific Exempt Organizations

Private Foundations. Private foundations and their managers are subject to excise taxes if they invest "any amount in such a manner as to jeopardize the carrying out of any of the foundation's exempt purposes." This rule requires a foundation manager, in making an investment, to exercise "ordinary business care and prudence" under the facts and circumstances prevailing at the time of making the investment, in providing for the short-term and long-term needs of the foundation to carry out its exempt purposes. The factors which a foundation manager may take into account in assessing an investment include the expected rate of return (both income and capital

⁴ The calculation of a particular exempt organization's UBTI would also be affected if it incurs indebtedness to finance its investment in the Fund. An exempt organization is required to make estimated tax payments with respect to its UBTI.

⁵ Certain exempt organizations which realize UBTI in a taxable year will not constitute "qualified organizations" for purposes of Section 514(c)(9)(B)(vi)(I) of the Code, pursuant to which, in limited circumstances, income from certain real estate partnerships in which such organizations invest might be treated as exempt from UBTI. A prospective tax-exempt Shareholder should consult its tax advisor in this regard.

appreciation), the risks of rising and falling price levels, and the need for diversification within the foundation's portfolio.

In order to avoid the imposition of an excise tax, a private foundation may be required to distribute on an annual basis its "distributable amount," which includes, among other things, the private foundation's "minimum investment return," defined as 5% of the excess of the fair market value of its nonfunctionally related assets (assets not used or held for use in carrying out the foundation's exempt purposes), over certain indebtedness incurred by the foundation in connection with such assets. It appears that a foundation's investment in the Fund would most probably be classified as a nonfunctionally related asset. A determination that an interest in the Fund is a nonfunctionally related asset could conceivably cause cash flow problems for a prospective Shareholder which is a private foundation. Such an organization could be required to make distributions in an amount determined by reference to unrealized appreciation in the value of its interest in the Fund. Of course, this factor would create less of a problem to the extent that the value of the investment in the Fund is not significant in relation to the value of other assets held by a foundation.

In some instances, an investment in the Fund by a private foundation may be prohibited by the "excess business holdings" provisions of the Code. For example, if a private foundation (either directly or together with a "disqualified person") acquires more than 20% of the capital interest or profits interest of the Fund, the private foundation may be considered to have "excess business holdings." If this occurs, such foundation may be required to divest itself of its interest in the Fund in order to avoid the imposition of an excise tax. However, the excise tax will not apply if at least 95% of the gross income from the Fund is "passive" within the applicable provisions of the Code and Regulations. There can be no assurance that the Fund will meet such 95% gross income test.

A substantial percentage of investments of certain "private operating foundations" may be restricted to assets directly devoted to their tax-exempt purposes. Otherwise, generally, rules similar to those discussed above govern their operations.

With certain exceptions, tax-exempt organizations which are private foundations are subject to a 1.39% Federal excise tax on their "net investment income." A private foundation will be required to make payments of estimated tax with respect to this excise tax.

Private Colleges and Universities. Net investment income of certain private colleges and universities is subject to a 1.4% tax. Such income is calculated in the same manner in which private foundations calculate their net investment income.

Qualified Retirement Plans. Employee benefit plans subject to the provisions of ERISA, Individual Retirement Accounts and Keogh Plans should consult their counsel as to the implications of such an investment under ERISA and the Code.

Endowment Funds. Investment managers of endowment funds should consider whether the acquisition of Shares is legally permissible. This is not a matter of Federal law, but is determined under state statutes. It should be noted, however, that under the Uniform Prudent Management of Institutional Funds Act, which has been adopted, in various forms, by a large

number of states, participation in investment partnerships or similar organizations in which funds are commingled and investment determinations are made by persons other than the governing board of the endowment fund is allowed.

Certain Clubs and Trusts. Social clubs, voluntary employees' beneficiary associations and supplemental unemployment benefit trusts that are exempt from Federal income taxation under Sections 501(c)(7), (c)(9) and (c)(17), respectively, of the Code are subject to special UBTI rules. These rules generally require such tax-exempt organizations to characterize income that would not otherwise be treated as UBTI (including income earned by the Fund) as UBTI. Such tax-exempt organizations are advised to consult their tax advisors concerning these rules and their application to this investment.

Excise Tax on Certain Reportable Transactions

A tax-exempt entity (including a state or local government or its political subdivision) may be subject to an excise tax equal to the greater of (i) one hundred percent (100%) of the net income or (ii) seventy five percent (75%) of the proceeds, attributable to certain "reportable transactions", including "listed transactions", in which it participates. Under Regulations, these rules should not apply to a tax-exempt Shareholder's Shares if such investor's tax-exempt status does not facilitate the Fund's participation, if any, in such transactions, unless otherwise provided in future guidance. Tax-exempt investors should discuss with their own advisors the applicability of these rules to their investment in the Fund. (See "Tax Shelter Reporting Requirements" below.)

Certain Reporting Obligations

Certain U.S. persons ("potential filers") who have an interest in a foreign financial account during a calendar year are generally required to file FinCEN Form 114 (an "FBAR") with respect to such account. Failure to file a required FBAR may result in civil and criminal penalties. Under existing regulatory guidance, potential filers who do not own (directly or indirectly) more than 50% of the interests in the Fund's profits or capital, generally are not obligated to file an FBAR with respect to an investment in the Fund. However, potential filers should consult their own advisors regarding the current status of this guidance.

Tax Shelter Reporting Requirements

The Regulations require the Fund to complete and file Form 8886 ("Reportable Transaction Disclosure Statement") with its tax return for any taxable year in which the Fund participates in a "reportable transaction." Additionally, each Shareholder treated as participating in a reportable transaction of the Fund is generally required to file Form 8886 with its tax return (or, in certain cases, within 60 days of the return's due date). If the Service designates a transaction as a reportable transaction after the filing of a taxpayer's tax return for the year in which the Fund or a Shareholder participated in the transaction, the Fund and/or such Shareholder may have to file Form 8886 with respect to that transaction within 90 days after the Service makes the designation. The Fund and any such Shareholder, respectively, must also submit a copy of the completed form with the Service's Office of Tax Shelter Analysis. The Fund intends to notify the Shareholders that it believes (based on information available to the Fund) are required to report a transaction of

the Fund, and intends to provide such Shareholders with any available information needed to complete and submit Form 8886 with respect to the Fund's transactions. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the Service at its request.

A Shareholder's recognition of a loss upon its disposition of an interest in the Fund could also constitute a "reportable transaction" for such Shareholder, requiring such Shareholder to file Form 8886.

A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. The maximum penalty is \$10,000 for natural persons and \$50,000 for other persons (increased to \$100,000 and \$200,000, respectively, if the reportable transaction is a "listed transaction"). Investors should consult with their own advisors concerning the application of these reporting obligations to their specific situations.

State and Local Taxation

In addition to the Federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from Federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Shareholder's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. To the extent the Fund is engaged in a trade or business, a Shareholder's share of the Fund's income from that trade or business that is sourced to a particular jurisdiction may cause such member to be taxed in that jurisdiction and may cause such member to file tax returns in such jurisdiction. Prospective investors should consult their tax advisors with respect to the availability of a credit for any such tax in the jurisdiction in which that Shareholder is a resident.

The tax laws of various states and localities limit or eliminate the deductibility of itemized deductions for certain taxpayers. These limitations will likely apply to a Shareholder's share of some or all of the Fund's expenses, including interest expense. Prospective investors are urged to consult their tax advisors with respect to the impact of these provisions on the deductibility of certain itemized deductions, including interest expense, on their tax liabilities in the jurisdictions in which they are resident.

One or more states may impose reporting requirements on the Fund and/or its Shareholders in a manner similar to that described above in "Tax Shelter Reporting Requirements." Investors should consult with their own advisors as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

Cayman Islands Taxation

The Fund has received an undertaking as of June 22, 2004 from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 20 years from the date of such undertaking (a) no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on the profits, income, gains or appreciations shall apply to the Fund or its operations, and

(b) no such tax nor any tax in the nature of estate duty or inheritance tax will be payable by the Fund (i) on or in respect of the shares, debentures or other obligations of the Fund, or (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (as amended) of the Cayman Islands. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Shares. An annual registration fee will be payable by the Fund to the Cayman Islands government which will be calculated by reference to the nominal amount of its authorized capital.

Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "US IGA"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the Organisation for Economic Cooperation and Development's Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS" and together with the US IGA "AEOI").

The Cayman Islands has issued regulations to give effect to the AEOI regime (the "AEOI Regulations"). Pursuant to the AEOI Regulations, the Cayman TIA has published guidance notes on the application of the US IGA and the CRS.

All Cayman Islands "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under the CRS. The Fund does not propose to rely on any reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require the Fund to, amongst other things, (i) register with the Service, (ii) register with the Cayman TIA, and thereby notify the Cayman TIA of its status as a "Reporting Financial Institution"; (iii) adopt and implement written policies and procedures setting out how it will address its obligations under the CRS; (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts"; and (v) annually report information on such Reportable Accounts to the Cayman TIA. The Cayman TIA will transmit the information reported to it to the overseas fiscal authority relevant to a Reportable Account (e.g., the Service in the case of a US Reportable Account) annually on an automatic basis.

For details on the related U.S. tax withholding and reporting regime, see "Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments" above.

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund reserves the right to take any

action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

Foreign Shareholders

The Fund does not expect its investment activities to constitute a trade or business in the United States, in which case foreign Shareholders would not be subject to U.S. tax. However, if the Fund were to be treated as engaged in a United States trade or business (either directly or indirectly through pass-through entities that are so engaged), income and gain effectively connected with the conduct of that trade or business allocated to a foreign Shareholder would subject such person to Federal income tax on that income on a net basis at the same rates that are generally applicable to that particular type of investor which is a U.S. person. The Fund is required to withhold U.S. income tax with respect to each foreign Shareholder's share of the Fund's effectively connected income. The amount withheld is reportable as a tax credit on the U.S. income tax return that such foreign Shareholder is required to file. Moreover, effectively connected earnings from the Fund which are allocated to a foreign corporate Shareholder and are not reinvested in a United States trade or business may be subject to a "branch profits tax."

Section 864(b)(2) of the Code provides a safe harbor (the "Safe Harbor") applicable to a non-U.S. Person (other than a dealer in securities) that engages in the U.S. in trading commodities for its own account pursuant to which such U.S. Person will not be deemed to be engaged in a U.S. trade or business if the "commodities are of a kind customarily dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place." The CFTC has taken the position that Bitcoin meets the definition of a commodity under section 1a(9) of the Commodity Exchange Act. Moreover, Bitcoin futures are traded on both the Chicago Mercantile Exchange (CME) and Chicago Board Options Exchange (CBOE), two CFTC-registered and regulated commodity exchanges. The Service, however, has not issued guidance as to whether or not Bitcoin is considered a commodity for purposes of the Safe Harbor. Accordingly, even if the Service were to assert that the activities of the Fund (including as a result of the Fund's participation in Bitcoin lending transactions) do constitute a trade or business of trading in virtual currency, it is possible that such trading could satisfy the requirements of the Safe Harbor.

Withholding taxes, if any, would be imposed on a non-U.S. Member's share of certain of the Fund's U.S. source gross income arising from safe harbor activities, and certain other income (e.g., fees paid in connection with Bitcoin lending transactions), unless an exception were applicable to reduce or eliminate such withholding.

If a foreign individual owns a Fund interest at the time of his death, the foreign individual's interest in the Fund or its assets may be subject to U.S. estate taxation to the extent of the Fund's direct or indirect U.S. assets unless provided otherwise by applicable treaty.

The identity of a foreign Shareholder may be disclosed on the Fund's U.S. tax return. In addition, foreign Shareholders may have to supply certain beneficial ownership statements to the Fund (which would be available to the Service) in order to obtain reductions in U.S. withholding tax on interest and to obtain benefits under U.S. income tax treaties, to the extent applicable.

ERISA CONSIDERATIONS

The following summary of certain aspects of ERISA is based upon ERISA, judicial decisions, U.S. Department of Labor ("DOL") regulations and rulings in existence on the date hereof. This summary is general in nature and does not address every ERISA issue that may be applicable to the Fund or a particular investor. Accordingly, each prospective investor should consult with its own counsel in order to understand the ERISA issues affecting the Fund and the investor.

General

Persons who are fiduciaries with respect to a U.S. employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an "ERISA Plan"), an individual retirement account or a Keogh plan subject solely to the provisions of the Code* (an "Individual Retirement Fund") should consider, among other things, the matters described below before determining whether to invest in the Fund.

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, DOL regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of Shareholders to redeem all or a portion of their Shares or to transfer their Shares. Before investing the assets of an ERISA Plan in the Fund, a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which "benefit plan investors", as defined in Section 3(42) of ERISA and any regulations promulgated thereunder ("Benefit Plan Investors"), invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the

* References hereinafter made to ERISA include parallel references to the Code.

prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security"; nor (b) a security issued by an investment fund registered under the Company Act, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company"; or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25% (or such greater percentage as may be provided in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Limitation on Investments by Benefit Plan Investors

It is the current intent of the Investment Manager to monitor the investments in the Fund to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25% (or such greater percentage as may be provided in regulations promulgated by the DOL) of the value of any class of equity interests in the Fund so that assets of the Fund will not be treated as "plan assets" under ERISA. Equity interests held by the Investment Manager or its affiliates are not considered for purposes of determining whether the assets of the Fund were treated as "plan assets" of a Benefit Plan Investor, the Investment Manager would be a "fiduciary" (as defined in ERISA and the Code) with respect to each such Benefit Plan Investor, and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. In such circumstances, the Fund would be subject to various other requirements of ERISA and the Code. In particular, the Fund would be subject to rules restricting transactions with "parties in interest" and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Code unless the Fund obtained appropriate exemptions from the DOL allowing the Fund to conduct its operations as described herein. As described above under "Redemptions - Required Redemptions", the Board of Directors may, in its sole discretion, compulsorily redeem all or any portion of a Shareholder's Shares, including, without limitation, to ensure compliance with the percentage limitation on investment in the Fund by Benefit Plan Investors as set forth above. The Investment Manager reserves the right, however, to waive the

percentage limitation on investment in the Fund by Benefit Plan Investors and thereafter to comply with ERISA.

Representations by Plans

An ERISA Plan proposing to invest in the Fund will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand the Fund's investment objectives, policies and strategies, and that the decision to invest plan assets in the Fund was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

Whether or not the assets of the Fund are treated as "plan assets" for purposes of ERISA, an investment in the Fund by an ERISA Plan is subject to ERISA. Accordingly, fiduciaries of ERISA Plans should consult with their own counsel as to the consequences under ERISA of an investment in the Fund.

ERISA Plans and Individual Retirement Funds Having Prior Relationships with the Investment Manager or its Affiliates

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the Investment Manager or other entities that are affiliated with the Investment Manager. Each of such entities may be deemed to be a party in interest to, and/or a fiduciary of, any ERISA Plan or Individual Retirement Fund to which any of the Investment Manager or its affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Code with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Fund is a transaction that is prohibited by ERISA or the Code.

Eligible Indirect Compensation

The disclosures set forth in this Memorandum constitute the Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of its compensation as eligible indirect compensation.

Future Regulations and Rulings

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisers regarding the consequences under ERISA of the acquisition and ownership of Shares.

REGULATORY MATTERS

Company Act Regulation

The Fund will comply with Section 3(c)(1) or 3(c)(7) of the Company Act.

Anti-Money Laundering Regulations

Identity Verification. In order to comply with laws and regulations aimed at the prevention of money laundering and terrorist financing, the Fund is required to adopt and maintain anti-money laundering procedures and, accordingly, the Fund, or the Administrator on the Fund's behalf, may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners and controllers (where applicable), and the source of funds.

The Fund, and the Administrator on the Fund's behalf, may request such information as is necessary to verify the identity of any Shareholder (including any subscriber or a transferee) and the identity of their beneficial owners and controllers (where applicable). Where the circumstances permit, the Fund, or the Administrator on the Fund's behalf, may be satisfied that full due diligence may not be required at subscription where a relevant exemption applies under applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in Shares.

In the event of delay or failure by a subscriber or Shareholder to produce any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may (i) refuse to accept or delay the acceptance of a subscription; (ii) in the case of a transfer of Shares, refuse to register the relevant transfer of Shares; (iii) in the case of a subscription for Shares, refuse to allot the Shares subscribed for, in which event subscription moneys will be returned without interest to the account from which such moneys were originally debited; or (iv) cause the redemption of any such Shareholder from the Fund.

The Fund, and the Administrator on the Fund's behalf, also may refuse to make any redemption or dividend payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption or dividend proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any applicable laws or regulations.

The Monetary Authority has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of the Anti-Money Laundering Regulations (Revised) of the Cayman Islands, as amended and revised from time to time (the "**AML Regulations**"), and upon any Director or officer of the Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

Freezing Accounts. Each of the Fund and the Administrator reserves the right, and the Fund may be obligated, pursuant to any applicable anti-money laundering laws or the laws, regulations, and Executive Orders administered by the U.S. Department of Treasury's Office of

Foreign Assets Control ("OFAC"), or other laws or regulations in any relevant jurisdiction (collectively, "AML/OFAC Obligations"), to "freeze the account" of a subscriber or Shareholder, either by (i) rejecting the subscription of a subscriber or Shareholder; (ii) segregating the assets in the account in compliance with applicable laws or regulations (including by way of compulsory redemption and automatic application of the proceeds of such compulsory redemption to a subscription for Shares of separate classes, tranches and/or series); (iii) declining any redemption request of a Shareholder; (iv) suspending payment of redemption proceeds to a Shareholder; and/or (v) refusing to make any dividend payment to a Shareholder. The Fund may be required to report such action and to disclose the subscriber's or Shareholder's identity to OFAC or other applicable governmental and regulatory authorities.

Sanctions and Required Representations. The Fund is subject to laws that restrict it from dealing with certain persons, including persons that are located or domiciled in sanctioned jurisdictions. Accordingly, each subscriber and Shareholder (including any transferee) will be required to make such representations to the Fund as the Fund, the Investment Manager or the Administrator will require in connection with applicable AML/OFAC Obligations, including representations to the Fund that, to the best of its knowledge, such subscriber or Shareholder (and (i) any person controlling or controlled by the subscriber or Shareholder; (ii) if the subscriber or Shareholder is a privately held entity, any person having a beneficial interest in the subscriber or Shareholder; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the subscriber or Shareholder as determined under Cayman Islands law; (iv) any person for whom the subscriber or Shareholder is acting as agent or nominee in connection with the investment; and (v) any authorized persons in respect of such subscriber or Shareholder) is not (a) a country, territory, individual or entity named on an OFAC list, any list maintained under the European Union ("EU") or United Kingdom ("UK") Regulations (as extended to the Cayman Islands by statutory instrument) or any similar list maintained under applicable law ("**Sanctions Lists**"); (b) dealing with any third-party named on any Sanctions List; (c) operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, EU or UK; or (d) a person or entity prohibited under the programs administered by OFAC or any other similar economic and trade sanctions program. Where a Shareholder is named on any of the Sanctions Lists, the Fund may be required to cease any further dealings with the Shareholder's interest in the Fund until such sanctions are lifted or a license is sought under applicable law to continue dealings.

Each subscriber and Shareholder (including any transferee) will also be expected to represent to the Fund that, to the best of its knowledge, such subscriber or Shareholder (and (i) any person controlling or controlled by the subscriber or Shareholder; (ii) if the subscriber or Shareholder is a privately held entity, any person having a beneficial interest in the subscriber or Shareholder; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the subscriber or Shareholder as determined under Cayman Islands law; (iv) any person for whom the subscriber or Shareholder is acting as agent or nominee in connection with the investment; and (v) any authorized persons in respect of such subscriber or Shareholder) is not a

politically exposed person, * or any family member ** or close associate *** of a politically exposed person. Any subscriber or Shareholder (including any transferee) that cannot make such representations may be subject to enhanced due diligence and the Fund may decline to accept any subscription or process any transfer in such circumstances.

Each subscriber and Shareholder (including any transferee) will also be required to represent to the Fund that, to the best of its knowledge, such subscriber or Shareholder (and (i) any person controlling or controlled by the subscriber or Shareholder; (ii) if the subscriber or Shareholder is a privately held entity, any person having a beneficial interest in the subscriber or Shareholder; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the subscriber or Shareholder as determined under Cayman Islands law; (iv) any person for whom the subscriber or Shareholder is acting as agent or nominee in connection with the investment; and (v) any authorized persons in respect of such subscriber or Shareholder) is not a shell bank****. Further, if such subscriber or Shareholder is a non-U.S. banking institution (a "**Non-U.S. Bank**") or if such subscriber or Shareholder receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Non-U.S. Bank, such subscriber or Shareholder must represent to the Fund that: (i) the Non-U.S. Bank has a fixed address, other than solely an electronic address, in a country in which the Non-U.S. Bank is authorized to conduct banking activities; (ii) the Non-U.S. Bank employs one or more individuals on a full-time basis; (iii) the Non-U.S. Bank maintains operating records related to its banking activities; (iv) the Non-U.S. Bank is subject to inspection by the banking authority that licensed the Non-U.S. Bank to conduct banking activities; and (v) the Non-U.S. Bank does not provide banking services to any other Non-U.S. Bank that does not have a physical presence in any country and that is not a regulated affiliate.

Such subscriber or Shareholder will also be required to represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene applicable laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations.

* For these purposes, the term "**politically exposed person**" means (a) a person who is or has been entrusted with prominent public functions by a foreign (non-Cayman Islands) country, for example a Head of State or of government, senior politician, senior government, judicial or military official, senior executive of a state-owned corporation, and important political party official; (b) a person who is or has been entrusted domestically (in the Cayman Islands) with prominent public functions, for example a Head of State or of government, senior politician, senior government, judicial or military official, senior executives of a state-owned corporation and important political party official; and (c) a person who is or has been entrusted with a prominent function by an international organization like a member of senior management, such as a director, a deputy director and a member of the board or equivalent functions.

** For these purposes, the term "**family member**" includes the spouse, parent, sibling or child of a politically exposed person.

*** For these purposes, the term "**close associate**" means any natural person who is known to hold the ownership or control of a legal instrument or person jointly with a politically exposed person, or who maintains some other kind of close business or personal relationship with a politically exposed person, or who holds the ownership or control of a legal instrument or person which is known to have been established to the benefit of a politically exposed person.

**** For these purposes, the term "**shell bank**" means any institution that accepts currency for deposit and that (a) has no physical presence in the jurisdiction in which it is incorporated or in which it is operating, as the case may be, and (b) is unaffiliated with a regulated financial group that is subject to consolidated supervision.

Each subscriber and Shareholder must notify the Fund promptly in writing should it become aware of any change in the information set forth in its representations.

Required Reporting. If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (Revised) of the Cayman Islands, if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Act (Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report will not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Pursuant to the AML Regulations, the Fund must designate natural persons to act as Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer (collectively, the "**AML Officers**") of the Fund. Subscribers and Shareholders may obtain details (including contact details) of the current AML Officers of the Fund by contacting Investor Relations at IR@panteracapital.com or (650) 854-7000.

Delegation. Where permitted by applicable law, and subject to certain conditions, the Fund may delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

Cayman Islands Mutual Funds Act

The Fund is regulated as a mutual fund under the Mutual Funds Act under Section 4(3) of the Mutual Funds Act of the Cayman Islands and, accordingly, is regulated pursuant to that law. However, the Fund is not required to be licensed or to employ a licensed mutual fund administrator since the minimum aggregate equity interest purchasable by a prospective investor in the Fund is at least \$50,000 or its equivalent in any other currency. The Monetary Authority has supervisory and enforcement powers to ensure compliance with the Mutual Funds Act. Regulation under the Mutual Funds Act entails the filing of prescribed details and audited accounts annually with the Monetary Authority. The Monetary Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the Board of Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Fund will not, however, be subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio by the Monetary Authority or any other governmental authority in the Cayman Islands, although the Monetary Authority does have the power to investigate the activities of the Fund in certain circumstances. Neither the Monetary Authority nor any other governmental authority in the Cayman Islands has passed judgment upon

or approved the terms or merits of this Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

The Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due; has contravened any provision under the Mutual Funds Act or of the Anti-Money Laundering Regulations (Revised); is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; is not being managed in a fit and proper manner; or has a person appointed as director, manager or officer that is not a fit and proper person to hold the respective position. The powers of the Monetary Authority include the power to require the substitution of Directors and/or the Investment Manager, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority including the ability to apply to court for approval of other actions.

The Monetary Authority has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of certain regulatory laws and regulations of the Cayman Islands including the Mutual Funds Act and the Anti-Money Laundering Regulations (Revised) of the Cayman Islands and upon any director or officer of the Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

The Fund and any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; *e.g.*, by the Monetary Authority, either for itself or for a recognized overseas regulatory authority, under the Monetary Authority Act (as amended), or by the Tax Information Authority, under the Tax Information Authority Act (as amended) or Reporting of Savings Income Information (European Union) Act (as amended) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund and any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

Cayman Islands Data Protection Act

The Cayman Islands Government enacted the Data Protection Act, 2017 (the "DPL") on May 18, 2017. The DPL introduces legal requirements for the Fund based on internationally accepted principles of data privacy.

The Fund will be characterized as a data controller in respect of personal data. The Fund's affiliates and/or delegates, such as the Administrator and the Investment Manager, may act as data processors (or data controllers in their own right in some circumstances). The Administrator, as data processor, may process personal data in order to provide services under the Administration Agreement and to carry out anti-money laundering checks and related actions; disclose or transfer the personal data to its affiliates, employees, agents, delegates, subcontractors, credit reference agencies, professional advisors or competent authorities for the provision of the

services; and report tax or regulatory related information to competent bodies or authorities. The Administrator, as data processor, shall, among other things, only act on and process such personal data in accordance with the documented instructions of the Fund, unless otherwise prevented or required by applicable laws; ensure that all persons who have access to personal data have committed themselves to appropriate obligations of confidentiality; and, upon termination of the Administration Agreement, the personal data shall, at the Fund's option, be destroyed or returned to the Fund, unless applicable laws prevent the return or deletion of such personal data.

Oversight of the DPL is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPL by the Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Cayman Islands Companies Act

The Fund was incorporated as an exempted company with limited liability under the Companies Act (Revised) of the Cayman Islands (the "Companies Act"). A Cayman Islands exempted company:

- (a) is a company that conducts its business mainly outside the Cayman Islands;
- (b) is prohibited from trading in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Cayman Islands (and for this purpose can effect and conclude contracts in the Cayman Islands and exercise in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands);
- (c) does not have to hold an annual general meeting;
- (d) does not have to make its register of members open to inspection by shareholders of that company;
- (e) may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands; and
- (f) may register as a segregated portfolio company.

Inspection of Books and Records

Holders of Shares have no general right under the Companies Act to inspect or obtain copies of the Fund's register of members or the Fund's corporate records.

General Meetings

As a Cayman Islands exempted company, the Fund is not obligated by the Companies Act to call shareholders' annual general meetings.

Register of Members

Under the Companies Act, the Fund must keep a register of members and there should be entered therein the names and addresses of the Fund's Shareholders, a statement of the

Shares held by each Shareholder, and of the amount paid or agreed to be considered as paid, on the Shares of each Shareholder; the date on which the name of any person was entered on the register as a Shareholder; and the date on which any person ceased to be a Shareholder. Under the Companies Act, the register of members of the Fund is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a Shareholder registered in the register of members is deemed as a matter of the Companies Act to have legal title to the Shares as set against its name in the register of members.

Dissolution; Winding Up

Under the Companies Act and the Articles, the Fund may be wound up by a special resolution of the Fund's voting shareholders, or if the winding up is initiated by the Fund's board of directors, by either a special resolution of the Fund's voting shareholders or, if the Fund is unable to pay its debts as they fall due, by an ordinary resolution of the Fund's voting shareholders. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

General Information

The address of the directors of the Fund shall be at the registered office of the Fund.

The base currency of the Fund is U.S. dollars.

No certificates will be issued as evidence of ownership of the Shares. The register of members maintained by the Administrator shall be *prima facie* evidence of ownership of the Shares and the matters which are directed by the Companies Act to be inserted therein.

Information as to the issue and redemption prices may be obtained from the Administrator.

Copies of the Articles and any annual or periodic reports may be inspected and obtained at the offices of the Investment Manager.

The Fund has retained Cohen & Company (Cayman) as its independent auditor. The auditor receives from the Fund customary fees for its services.

CAPITAL STRUCTURE OF THE FUND

Authorized Capital and Division of Shares

The Fund has authorized capital of \$50,000 divided into 4,999,999 non-voting, redeemable, participating shares, \$0.01 par value each, which may be allocated by the Board of Directors, in its discretion, among various Tranches of Shares, and one voting share, \$0.01 par

value, which is held by the Advisor (the "Management Share"). No capital of the Fund is under option or agreed, conditionally or unconditionally, to be put under option to any person.

The Fund may, from time to time, by an ordinary resolution, increase the Fund's authorized share capital, consolidate and divide all or any of the Shares into a smaller number of Shares, sub-divide the Shares into a larger number of shares, or cancel any Shares not taken or agreed to be taken by any person. The Fund may, from time to time, by a special resolution, reduce its share capital in any way permitted by the laws of the Cayman Islands.

Shares will be registered in the name of the Shareholder and held in book-entry form unless otherwise requested in writing by a Shareholder.

Except as specifically described in this Memorandum, the Shares have no conversion or pre-emptive rights. All Shares, when duly issued, will be fully paid and non-assessable.

Participation and Voting

Shareholders that participate in the profits of the Fund do so in proportion to the net asset value per Share of the various Tranches of Shares they hold. In the event of the liquidation or dissolution of the Fund, the net assets of the Fund remaining after the satisfaction of the rights of creditors and payment of the par value of the Management Share and the Shares will also be distributed to the Shareholders in proportion to the net asset value per Share of the various Tranches of Shares.

The Management Share confers upon the holder thereof the right to receive notice of, to attend and to vote at general meeting of the Fund. The Management Share is held by the Advisor, but may be subsequently transferred by the Advisor to a different person or entity.

The Participating Shares are non-voting and do not confer upon the holder thereof the right to receive notice of, to attend or to vote at general meetings of the Fund.

Rights of Shareholders

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of, the Articles of Association. Under the terms of the Articles of Association, the liability of the Shareholders is limited to any amount unpaid on their Shares. As the Shares can only be issued if they are fully paid, the Shareholders will not be liable for any debt, obligation or default of the Fund beyond their interest in the Fund.

The Articles of Association have been drafted in broad and flexible terms to allow the Directors the authority, in their discretion, to determine a number of issues, including, without limitation, whether or not to charge subscription fees, generally or in any particular case. In approving the offering of Shares on the terms set out in this Memorandum, the Directors have exercised a number of these discretions in accordance with the Articles of Association.

Variation of Share Rights

The Articles of Association provide that, subject to the Companies Act (as amended) of the Cayman Islands (the "Companies Act") and the other provisions of the Articles of Association, all or any of the Tranche rights or other terms of offer, whether set out in this Memorandum, any Subscription Agreement or otherwise (including any representations, warranties, covenants or disclosure relating to the offer or holding of Shares) (collectively referred to as "Share Rights") for the time being applicable to any Tranche of Shares in issue (unless otherwise provided by the terms of issue of those Shares) may (whether or not the Fund is being wound up) be varied without the consent of the holders of the issued Shares of that Tranche where such variation is considered by the Directors, not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation will be made only with the prior consent in writing of the holders of not less than two-thirds by net asset value of such Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Shares. Each subscriber for Shares will be required to acknowledge and agree that the terms of this offering of Shares and the rights attaching to the Shares, as set forth in this Memorandum and in the applicable Subscription Agreement, can be varied in accordance with the provisions of the Articles of Association.

Negative Consent

The Articles of Association provide that, where consent is required with respect to any Tranche, pursuant to the "Variation of Share Rights" Article, the Directors in their discretion may invoke the following procedure (the "Negative Consent Procedure"). The Directors will provide written notice in respect of the proposed variation (the "Proposal") to the Shareholders of the affected Tranche and will specify a deadline (the "Redemption Deadline"), which will be no earlier than 15 days after the date of giving such notice, by which date such members may submit a written request for redemption of some or all of their Shares of the affected Tranche no later than the Redemption Deadline. The terms of the Proposal will be such that its specified effective date (the "Effective Date") will not be on or prior to the Redemption Deadline. In the event that such redemptions are delayed due to the Redemption Queue, such Proposal shall not be effected until redemptions submitted prior to the Redemption Deadline have been satisfied in full. Such notice will further provide that the holders of any Shares in respect of which a request for redemption has not been received by the Redemption Deadline (the "Affected Shares") will, in the absence of express written refusal to consent, be deemed to have consented in writing to the Proposal (such Affected Shares being the "Negative Consent Shares"). In the event that the Negative Consent Procedure is followed, only the Affected Shares will be considered for the purposes of determining whether the written consent majority has been obtained under the "Variation of Share Rights" Article with the holders of the Negative Consent Shares being deemed to have submitted a written consent in favor of the Proposal on the Effective Date.

Dividends

Dividends may be paid in the sole discretion of the Board of Directors. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws. It is not anticipated that the Fund will pay dividends.

LEGAL COUNSEL

SRZ has been engaged by the Investment Manager to represent it as U.S. legal counsel in connection with the organization of the Fund and this offering of Shares. SRZ also has been engaged by the Board of Directors to represent the Fund in connection with these matters and other matters for which it is retained to do so. Ogier ("Ogier", and together with SRZ, "Legal Counsel") has been engaged to act as Cayman Islands legal counsel by the Board of Directors to represent the Fund in connection with the organization of the Fund and this offering of Shares in the Fund. No separate counsel has been engaged to independently represent the Shareholders in connection with these matters.

Each Legal Counsel will represent the Fund on matters for which it is retained to do so. Other counsel may also be retained where the Investment Manager, on its own behalf, or the Board of Directors determines that to be appropriate.

Each Legal Counsel's representation of the Fund is limited to specific matters as to which they have been consulted by the Fund. There may exist other matters that could have a bearing on the Fund as to which a Legal Counsel has not been consulted. In connection with the preparation of this Memorandum, SRZ is responsible only for matters of United States law and does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum, and Ogier is responsible only for matters of Cayman Islands law and does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In advising the Fund and the Investment Manager with respect to the preparation of this Memorandum, each Legal Counsel has relied upon information that has been furnished to it by the Fund, the Investment Manager and their affiliates, and has not independently investigated or verified the accuracy or completeness of the information set forth herein. In addition, Legal Counsel does not monitor the compliance of the Fund or the Investment Manager with the investment guidelines, valuation procedures and other guidelines set forth in this Memorandum or the Fund's terms or compliance with applicable laws.

There may be situations in which there is a "conflict" between the interests of the Investment Manager and those of the Fund. In these situations, such parties will determine the appropriate resolution thereof, and may seek advice from Legal Counsel in connection with such determinations. The Investment Manager (with respect to SRZ) and the Fund have each consented to Legal Counsel's concurrent representation of such parties in such circumstances. In general, independent counsel will not be retained to represent the interests of the Fund or the Shareholders.

Legal Counsel received fees calculated on a combination of a fixed fee and time spent basis in connection with the formation and launch of the Fund and may continue to receive fees on such basis in connection with ongoing legal and regulatory advice.

SUITABILITY REQUIREMENTS

Shareholders must meet the suitability requirements set forth in the section of this Memorandum entitled, "Summary of Terms—Suitability Requirements".

Each prospective Shareholder generally must be either a non-U.S. Person or a U.S. Person and must meet other suitability requirements described herein and in the Subscription Agreement.

The term "U.S. Person" means a person described in one or more of the following paragraphs:

1. With respect to any person, any individual or entity that would be a U.S. Person under Regulation S promulgated under the Securities Act. The Regulation S definition is set forth in Appendix A to this Memorandum.
2. With respect to individuals, any U.S. citizen or "resident alien" within the meaning of U.S. income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under U.S. income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the U.S. Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (a) the individual was present in the U.S. on at least 31 days during such year and (b) the sum of the number of days on which such individual was present in the U.S. during the current year, $\frac{1}{3}$ of the number of such days during the first preceding year, and $\frac{1}{6}$ of the number of such days during the second preceding year, equals or exceeds 183 days.
3. With respect to persons other than individuals:
 - (i) a corporation or partnership created or organized in the United States or under the laws of the United States or any state;
 - (ii) a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. Persons have the authority to control all substantial decisions of the trust; and
 - (iii) an estate which is subject to U.S. tax on its worldwide income from all sources.

Each prospective purchaser is urged to consult with its own advisers to determine the suitability of an investment in the Shares, and the relationship of such an investment to the purchaser's overall investment program and financial and tax position. Each purchaser of Shares is required to represent that it has evaluated the risks of investing in the Fund, understands there are substantial risks of loss incidental to the purchase of Shares and has determined that the Shares are a suitable investment for such purchaser.

APPENDIX A

REGULATION S DEFINITION OF U.S. PERSON

Pursuant to Rule 902(k) of Regulation S under the Securities Act:

- (1) "U.S. person" means:
 - (i) any natural person resident in the United States;
 - (ii) any partnership or corporation organized or incorporated under the laws of the United States;
 - (iii) any estate of which any executor or administrator is a U.S. person;
 - (iv) any trust of which any trustee is a U.S. person;
 - (v) any agency or branch of a foreign entity located in the United States;
 - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
 - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
 - (viii) any partnership or corporation if:
 - (A) organized or incorporated under the laws of any foreign jurisdiction; and
 - (B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.
- (2) The following are not "U.S. persons":
 - (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
 - (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
 - (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
 - (B) the estate is governed by foreign law;

- (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) any agency or branch of a U.S. person located outside the United States if:
 - (A) the agency or branch operates for valid business reasons; and
 - (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

APPENDIX B

OFFERING AND SALE RESTRICTIONS WITH RESPECT TO CERTAIN JURISDICTIONS

NOTE REGARDING MARKETING UNDER THE AIFM DIRECTIVE

In the United Kingdom and each member state (each a "relevant member state") of the EEA that has implemented the AIFM Directive, the Shares may only be offered to professional investors in accordance with the local measures implementing the AIFM Directive (such as where this Memorandum or any supplement provides that the Fund has been registered for the purposes of the national private placement regime of the relevant member state), or in any other circumstances permitted by local law of the United Kingdom or the relevant member state, including at the own initiative of the professional investor.

In relation to offers in the United Kingdom or the EEA, the Shares are not intended to be offered, or otherwise made available, to any person categorized as (i) a "retail client" (as defined in point (11) of Article 4(1) of MiFID II); or (ii) a "customer" (within the meaning of Directive 2002/92/EC on Insurance Mediation), where such customer does not qualify as a "professional client" (as defined in point (10) of Article 4(1) of MiFID II).

FOR PROSPECTIVE SHAREHOLDERS IN ARGENTINA

No public offering of Shares is being made to investors resident in Argentina. Shares are being offered only to a limited number of institutional investors and sophisticated individual investors capable of understanding the risks of their investment. The National Securities Commission of Argentina has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Shares to investors resident in Argentina.

FOR PROSPECTIVE SHAREHOLDERS IN AUSTRALIA

The Fund is not, and is not required to be, a registered foreign body corporate in Australia, and this Memorandum is not a prospectus lodged or required to be lodged with the Australian Securities and Investments Commission. The Shares will only be offered in Australia to persons to whom such securities may be offered without a prospectus under Chapter 6D of the Corporations Act 2001 (Cth). The Shares subscribed for by investors in Australia must not be offered for resale in Australia for 12 months from allotment except in circumstances where disclosure to investors under the Corporations Act 2001 (Cth) would not be required or where a compliant prospectus is produced. Prospective investors in Australia should confer with their professional advisers if in any doubt about their position.

FOR PROSPECTIVE SHAREHOLDERS IN THE BAHAMAS

The Fund has not been licensed or registered with the Securities Commission of The Bahamas because it is a non-Bahamas based investment fund for the purposes of the Investment Funds Act, 2019 (the "Bahamas IFA") and it is exempt from licensing under the Bahamas IFA. This Memorandum has not been registered with, reviewed or approved by the Securities Commission of The Bahamas. Shares may be offered in The Bahamas only if a copy of this Memorandum has been filed with the Securities Commission of The Bahamas, as required by the Bahamas IFA. Shares may only be offered in The Bahamas to "accredited investors", in compliance with Bahamian Exchange Control Regulations, by or through an investment fund administrator of the Fund that is licensed by, or a firm registered with, the Securities Commission of The Bahamas to sell securities.

FOR PROSPECTIVE SHAREHOLDERS IN THE KINGDOM OF BAHRAIN

Neither this Memorandum nor the Shares have been authorized by or registered or filed with the Central Bank of Bahrain or any other governmental authority in the Kingdom of Bahrain, nor has the Fund received authorization from the Central Bank of Bahrain or any other governmental authority in the Kingdom of Bahrain to market or sell the Shares within the Kingdom of Bahrain. This Memorandum does not constitute and may not be used for the purpose of an offer or invitation in the Kingdom of Bahrain. No services relating to the Shares, including the receipt of applications and the allotment or redemption of such Shares, may be rendered by the Fund within the Kingdom of Bahrain.

FOR PROSPECTIVE SHAREHOLDERS IN BERMUDA

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

FOR PROSPECTIVE SHAREHOLDERS IN BRAZIL

The Fund is not listed with any stock exchange, organized over the counter market or electronic system of securities trading. The Shares have not been and will not be registered with any securities exchange commission or other similar authority, including the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* or the "CVM"). The Shares will not be directly or indirectly offered or sold within Brazil through any public offering, as determined by Brazilian law and by the rules issued by the CVM, including Law No. 6,385 (Dec. 7, 1976) and CVM Rule No. 400 (Dec. 29, 2003), as amended from time to time, or any other law or rules that may replace them in the future.

Acts involving a public offering in Brazil, as defined under Brazilian laws and regulations and by the rules issued by the CVM, including Law No. 6,385 (Dec. 7, 1976) and CVM Rule No. 400 (Dec. 29, 2003), as amended from time to time, or any other law or rules that may replace them in the future, must not be performed without such prior registration. Persons in Brazil wishing to acquire the Shares should consult with their own counsel as to the applicability of these registration requirements or any exemption therefrom. Without prejudice to the above, the sale and solicitation of the Shares is limited to professional investors as defined by CVM Rule No. 539 (Nov. 13, 2013), as amended, or as defined by any other rule that may replace it in the future.

This Memorandum is confidential and intended solely for the use of the addressee and cannot be delivered or disclosed in any manner whatsoever to any person or entity other than the addressee.

FOR PROSPECTIVE SHAREHOLDERS IN THE BRITISH VIRGIN ISLANDS

This Memorandum does not constitute, and there will not be, an offering of securities to the public in the British Virgin Islands.

FOR PROSPECTIVE SHAREHOLDERS IN BRUNEI

This Memorandum has not been delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam as designated under the Securities Markets Order of 2013.

FOR PROSPECTIVE SHAREHOLDERS IN THE CAYMAN ISLANDS

This Memorandum does not constitute an offering, and there will not be any offering, of the Shares to the public in the Cayman Islands. No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands unless and until the Shares are listed on the Cayman Islands Stock Exchange.

FOR PROSPECTIVE SHAREHOLDERS IN CHILE

English Version

This offer conforms to General Ruling N°336 of the Chilean Commission for Financial Markets. The offer deals with securities not registered in the Registry of Securities or in the Registry of Foreign Securities of the Chilean Commission for Financial Markets, and therefore such securities are not subject to its oversight. The Fund is not obligated to provide public information in Chile regarding the Shares, since such securities are not registered with the Chilean Commission for Financial Markets. The Shares shall not be subject to public offering as long as they are not registered with the corresponding Registry of Securities in Chile.

Spanish Version

Esta oferta se acoge a la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero Chilena. Que la oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero Chilena, por lo que tales valores no están sujetos a la fiscalización de ésta. Que por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores. Que esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

FOR PROSPECTIVE SHAREHOLDERS IN CHINA

The Shares may not be marketed, offered or sold directly or indirectly to the public in China and neither this Memorandum, which has not been submitted to the Chinese Securities and Regulatory Commission, nor any offering material or information contained herein relating to the Shares, may be supplied to the public in China or used in connection with any offer for the subscription or sale of the Shares to the public in China. The Shares may only be marketed, offered or sold to Chinese institutions which are authorized to engage in foreign exchange business and offshore investment from outside China. Chinese investors may be subject to foreign exchange control approval and filing requirements under the relevant Chinese foreign exchange regulations, as well as offshore investment approval requirements.

FOR PROSPECTIVE SHAREHOLDERS IN COLOMBIA

Neither this Memorandum nor the Shares have been reviewed or approved by the Financial Superintendency of Colombia or any other governmental authority in Colombia, nor has the Fund or any related person or entity received authorization or licensing from the Financial Superintendency of Colombia or any other governmental authority in Colombia to market or sell the Shares within Colombia. No public offering of the Shares is being made in Colombia or to Colombian residents. By receiving this Memorandum, the recipient acknowledges that it contacted the Investment Manager at its own initiative and not as a result of any promotion or publicity by the Investment Manager. This Memorandum is strictly private and confidential and may not be reproduced, used for any other purpose or provided to any person other than the intended recipient.

FOR PROSPECTIVE SHAREHOLDERS IN COSTA RICA

This offer is a private placement executed outside the Costa Rican territory, and must be ruled by the laws and jurisdiction of the Cayman Islands. The investor accepts that the security offered has no negotiation market and may not be offered through any media or any other way of publicity that could be interpreted by the Costa Rican governmental authorities as a public offer.

FOR PROSPECTIVE SHAREHOLDERS IN ECUADOR

The Fund is not managed or represented by a fund management company or trust administrator in Ecuador and has not been registered with or approved by the National Securities Council or the Superintendency of Companies, Securities and Insurance of Ecuador. Shares are therefore not eligible for advertising, placement or circulation in Ecuador. The information provided in this Memorandum is not an offer to sell, or an invitation to make an offer to purchase, Shares in Ecuador to, or for the benefit of, any Ecuadorian person or entity. This Memorandum may not be distributed or reproduced, in whole or in part, in Ecuador by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of Shares outside of Ecuador on their own account and will undertake not to transfer, directly or indirectly, Shares to persons or entities in Ecuador.

FOR PROSPECTIVE SHAREHOLDERS IN EGYPT

Neither this Memorandum nor the Shares have been approved, disapproved or passed on in any way by the Egyptian Financial Supervisory Authority or any other governmental authority in Egypt, nor has the Fund received authorization or licensing from the Egyptian Financial Supervisory Authority or any other governmental authority in Egypt to market or sell Shares within Egypt. This Memorandum does not constitute and may not be used for the purpose of an offer or invitation. No services relating to Shares, including the receipt of applications and the allotment or redemption of such Shares, may be rendered by the Fund within Egypt.

FOR PROSPECTIVE SHAREHOLDERS IN EL SALVADOR

The recipient acknowledges that this Memorandum has been prepared and delivered upon the recipient's request, on a private placement basis.

FOR PROSPECTIVE SHAREHOLDERS IN GUATEMALA

This Memorandum and the Fund herein described have not been nor will they be registered with or approved by the *Registro de Valores y Mercancías* (the Guatemalan Securities and Commodities Market Authority). Accordingly, this Memorandum may not be made available, nor may the Shares be marketed and offered for sale in Guatemala, other than under circumstances which are deemed to constitute a private offering under the Guatemalan Securities and Commodities Market Law (*Ley del Mercado de Valores y Mercancías Decreto 34-96*).

FOR PROSPECTIVE SHAREHOLDERS IN GUERNSEY

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Fund or for the correctness of any of the statements made or opinions expressed with regard to it. If you are in any doubt about the contents of this memorandum you should consult your accountant, legal or professional adviser or financial adviser. The Investment Manager of the Fund has taken all reasonable care to ensure that the facts

stated in this memorandum are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this memorandum, whether of fact or opinion. The Investment Manager of the Fund accepts responsibility accordingly. It should be remembered that the price of interests in the Fund can go down as well as up.

FOR PROSPECTIVE SHAREHOLDERS IN HONG KONG

The contents of this Memorandum have not been reviewed or approved by any regulatory authority in Hong Kong. This Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire Shares. Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Memorandum or any advertisement, invitation or document relating to the Shares, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) (the "SFO") and the subsidiary legislation made thereunder) or in circumstances which do not result in this Memorandum being a "prospectus" as defined in the Companies Ordinances of Hong Kong (Cap. 32) (the "CO") or which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CO. The offer of the Shares is personal to the person to whom this Memorandum has been delivered by or on behalf of the Fund, and a subscription for Shares will only be accepted from such person. No person to whom a copy of this Memorandum is issued may issue, circulate or distribute this Memorandum in Hong Kong or make or give a copy of this Memorandum to any other person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Memorandum, you should obtain independent professional advice.

FOR PROSPECTIVE SHAREHOLDERS IN INDIA

This issue is being made strictly on a private placement basis. This Memorandum is not a prospectus or a statement in lieu of a prospectus. It is not, and should not be deemed to constitute an offer to the public in general. It cannot be acted upon by any person other than the person to whom it has been specifically addressed. Multiple copies hereof given to the same entity will be deemed to be offered to the same person.

The information contained in this Memorandum is believed by the Investment Manager to be accurate in all material respects as of the date hereof. The Investment Manager does not undertake to update this Memorandum to reflect subsequent events. This Memorandum has been prepared to provide general information about the Fund to potential investors evaluating the proposal to subscribe for the Shares and it does not purport to contain all the information that any such potential investor may require. Potential investors should conduct their own due diligence, investigation and analysis of the Investment Manager and the Fund.

Prior to applying for the Shares, potential investors should verify if they have the necessary power and competence to apply for the Shares under their constitutional documents as well as all relevant laws and regulations in force in India, including relevant foreign exchange restrictions and neither the Investment Manager nor the Fund will be responsible for any filings required to be made by the Indian investor. They should also consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Shares, and income arising thereon.

Although the information contained herein has been obtained from sources that are reliable to the best of the Investment Manager's knowledge and belief, the Investment Manager makes no representation as to the accuracy or completeness of any information contained herein or otherwise provided by the Investment Manager. Neither the Investment Manager nor any officer or employee of the Investment Manager accept

any liability whatsoever for any direct or consequential loss arising from any use of this Memorandum or its contents.

The Shares have not been registered or listed in any securities exchange.

FOR PROSPECTIVE SHAREHOLDERS IN INDONESIA

This Memorandum is for the exclusive use of the person to whom it has been specifically addressed. The Fund and its affiliates disclaim any responsibility for any copy of this Memorandum that has been improperly reproduced and circulated. This Memorandum may not be photocopied, reproduced or distributed, in whole or in part, to any other person at any time. Distribution of this Memorandum to any person other than in compliance with the terms of this Memorandum is unauthorized. If the offeree does not proceed with the transaction or if it is so requested, it will return this Memorandum to the Investment Manager promptly. Shares will not be offered or sold, directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, nationals or corporations, wherever located, or entities or residents in Indonesia in a manner which constitutes a public offering of the Shares under the laws and regulations of Indonesia.

FOR PROSPECTIVE SHAREHOLDERS IN THE ISLE OF MAN

No public offering of Shares is being made to investors resident in the Isle of Man. Shares are being offered only to institutional investors and a limited number of other investors in the Isle of Man. The Fund is not subject to approval in the Isle of Man and investors are not protected by any statutory compensation arrangements in the event of the Fund's failure. The Isle of Man Financial Services Authority does not vouch for the financial soundness of the Fund or for the correctness of any statement made or opinion expressed with regard to it.

FOR PROSPECTIVE SHAREHOLDERS IN ISRAEL

The Shares have not been registered and are not expected to be registered under the Israeli Securities Law – 1968 (the "Securities Law") or under the Israeli Joint Investment Trust Law – 1994 due to applicable exemptions. Accordingly, the Shares will only be offered and sold in Israel pursuant to applicable private placement exemptions, to parties that qualify as both (i) Sophisticated Investors described in Section 15A(b)(1) of the Securities Law and (ii) as "Qualified Customers" for purposes of Section 3(a)(11) of the Law for the Regulation of Provision of Investment Advice, Marketing Investments and Portfolio Management – 1995 (the "Investment Advisor Law"). Neither the Fund nor the Investment Manager is a licensed investment marketer under the Investment Advisor Law and neither the Fund nor the Investment Manager maintains insurance as required under such law. The Fund and the Investment Manager may be deemed to be providing investment marketing services but are not investment advisors for purposes of Israeli law. Any investment marketing which may be deemed provided under Israeli law in connection with an investment in the Fund is deemed provided on a one time only basis and neither the Fund nor the Investment Manager will provide any ongoing investment marketing or investment advisory services to the investor. If any recipient in Israel of a copy of this Memorandum is not qualified as described above, such recipient should promptly return this Memorandum to the Fund. By retaining a copy of this Memorandum you are hereby confirming that you qualify as both a Sophisticated Investor and Qualified Customer, fully understand the ramifications thereof and agree to be treated as such by the Fund.

FOR PROSPECTIVE SHAREHOLDERS IN JAPAN

No public offering of the Shares is being made to investors resident in Japan and no securities registration statement pursuant to Article 4, paragraph 1, of the Financial Instruments and Exchange Act (the "FIEA") has been made or will be made in respect to the offering of the Shares in Japan. The Shares may not be

offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan unless they are offered or sold pursuant to an exemption from the registration requirements of, and in compliance with, the FIEA and any applicable laws and regulations of Japan. Neither the Financial Services Agency of Japan nor the Kanto Local Finance Bureau has passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of the Shares in Japan or to investors resident in Japan.

FOR PROSPECTIVE SHAREHOLDERS IN JERSEY

No public offering of Shares is being made to investors resident in Jersey. Shares are being offered only to a limited number of institutional and sophisticated individual investors in Jersey.

FOR PROSPECTIVE SHAREHOLDERS IN KUWAIT

This Memorandum is not for general circulation to the public in Kuwait. The Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority, or any other relevant Kuwaiti governmental agency. The offering of the Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 (as amended) and the bylaws thereto (as amended). No private or public offering of the Shares is being made in Kuwait, and no agreement relating to the sale of the Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

FOR PROSPECTIVE SHAREHOLDERS IN LEBANON

Neither this Memorandum nor the Shares have been approved, disapproved or passed on in any way by the Lebanese Central Bank (the "BDL"), the Capital Market Authority (the "CMA") or any other governmental authority in Lebanon, nor has the Fund received authorization or licensing from the BDL, the CMA or any other governmental authority in Lebanon to market or sell the Shares within Lebanon. This Memorandum does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Shares, including the receipt of applications and the allotment or redemption of such Shares, may be rendered by the Fund within Lebanon.

FOR PROSPECTIVE SHAREHOLDERS IN MALAYSIA

The offering made under this Memorandum does not constitute, and should not be construed as constituting an offer or invitation to subscribe for or purchase any securities in Malaysia. The Fund, by the dispatch of this Memorandum, has not made available any securities for subscription or purchase in Malaysia. This Memorandum is distributed in Malaysia for information purposes only. This Memorandum does not constitute and should not be construed as offering or making available any Shares for purchase in Malaysia.

FOR PROSPECTIVE SHAREHOLDERS IN MEXICO

The offering made pursuant to this Memorandum does not constitute a public offering of securities under Mexican law and therefore is not subject to obtaining the prior authorization of the Mexican National Banking and Securities Commission or the registration of Shares with the Mexican National Registry of Securities.

FOR PROSPECTIVE SHAREHOLDERS IN MONACO

No public offering of Shares is being made to investors resident in Monaco. Shares are being offered only to a limited number of institutional investors (i.e., duly licensed banks by the *Autorité de Contrôle Prudentiel* and portfolio management companies duly licensed, by virtue of Law n° 1.338 of September

7th, 2007, by the *Commission de Contrôle des Activités Financières*), capable of understanding the risks of their investment. The *Commission de Contrôle des Activités Financières* of Monaco has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Shares to investors resident in Monaco.

The addressees hereof are perfectly fluent in English and expressly waive the possibility of a French translation of the present document. *Les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renoncent expressément à une traduction française.*

FOR PROSPECTIVE SHAREHOLDERS IN MOROCCO

No public offering of Shares is being made to investors resident in Morocco. Shares are being offered only to a limited number of institutional investors capable of understanding the risks of their investment. Neither the *Conseil Déontologique des Valeurs Mobilières* nor the Ministry of Finance has passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Shares to investors resident in Morocco.

FOR PROSPECTIVE SHAREHOLDERS IN NEW ZEALAND

No retail offering of the Shares is being made to investors in New Zealand. The Shares are being offered to wholesale investors in New Zealand pursuant to an exclusion from disclosure requirements under the Financial Markets Conduct Act 2013. The New Zealand Financial Markets Authority has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of the Shares to investors resident in New Zealand.

FOR PROSPECTIVE SHAREHOLDERS IN OMAN

This Memorandum, and the Shares to which it relates, may not be advertised, marketed, distributed or otherwise made available to the general public in Oman. In connection with the offering of the Shares, no prospectus has been registered with or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other regulatory body in the Sultanate of Oman. The offering and sale of the Shares described in this Memorandum will not take place inside Oman. The Shares are being offered on a limited private basis, and do not constitute marketing, offering or sales to the general public in Oman. Therefore, this Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

FOR PROSPECTIVE SHAREHOLDERS IN PANAMA

No public offering of Shares is being made to investors resident in Panama. The Shares are being offered only to institutional investors and a limited number of other investors in Panama. The *Superintendencia del Mercado de Valores* has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Shares to investors resident in Panama.

FOR PROSPECTIVE SHAREHOLDERS IN PERU

Shares have not been and will not be approved by the Peruvian *Superintendencia del Mercado de Valores* ("SMV") or any other regulatory agency in Peru, nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*), or any SMV regulations. Shares may not be offered or sold within Peru except in private placement transactions.

FOR PROSPECTIVE SHAREHOLDERS IN THE PHILIPPINES

The Shares being offered or sold have not been registered with the Philippine Securities and Exchange Commission under the Philippine Securities Regulation Code (the "SRC"). Any future offer or sale thereof is subject to registration requirements under the SRC unless such offer or sale qualifies as an exempt transaction.

FOR PROSPECTIVE SHAREHOLDERS IN QATAR

This Memorandum is provided on an exclusive basis to the specifically intended recipient hereof, upon that person's request and initiative and for the recipient's personal use only. Nothing in this Memorandum constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund, or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre, other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities.

This Memorandum and the underlying instruments have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar. The Memorandum and any related documents have not been reviewed or approved by the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank.

Recourse against the Fund, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside Qatar and the Qatar Financial Centre. Any distribution of this Memorandum by the recipient to third parties in Qatar or the Qatar Financial Centre beyond the terms hereof is not authorized and shall be at the liability of the recipient.

FOR PROSPECTIVE SHAREHOLDERS IN THE RUSSIAN FEDERATION

Under Russian law, the Shares may be considered securities of a foreign issuer. Neither the Shares nor this Memorandum has been, or is intended to be, registered with the Central Bank of the Russian Federation, and hence the Shares are not eligible for advertising, initial placement and public circulation in the Russian Federation and may not be offered to investors that are not qualified investors within the meaning of Russian law. The information provided in this Memorandum (including any amendment or supplement thereto or replacement thereof) is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer the Shares in the Russian Federation to or for the benefit of any Russian person or entity.

This Memorandum is not to be distributed or reproduced (in whole or in part) in the Russian Federation by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of the Shares outside the Russian Federation on their own account and undertake not to transfer, directly or indirectly, the Shares in the Russian Federation for public circulation or offering to non-qualified investors.

FOR PROSPECTIVE SHAREHOLDERS IN SAUDI ARABIA

Neither this Memorandum nor the Shares have been approved, disapproved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Fund received authorization or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell the Shares within the Kingdom of Saudi Arabia. This Memorandum does not constitute and may not be used for the purpose of an offer or invitation. No

services relating to the Shares, including the receipt of applications and the allotment or redemption of the Shares, may be rendered by the Fund within the Kingdom of Saudi Arabia.

FOR PROSPECTIVE SHAREHOLDERS IN SINGAPORE

This Memorandum and any other material in connection with the offer or sale is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS") and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. The Fund is not authorized or recognized by the MAS and the Shares are not allowed to be offered to the retail public. Accordingly, this Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 4A of the SFA, (ii) to a relevant person under Section 305(1) of the SFA, (iii) to any person pursuant to an offer referred to in Section 305(2) of the SFA, or (iv) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Since this Memorandum is not a prospectus as defined in the SFA, statutory liability under the SFA in relation to the content of prospectuses does not apply, and investors should consider carefully whether the investment is suitable for them.

Certain resale restrictions apply to the offer and investors are advised to acquaint themselves with such restrictions.

Where the Shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the interests pursuant to an offer made under Section 305 except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of units in a collective investment scheme, securities, securities-based derivatives contracts or other assets, and further for corporations, in accordance with the conditions specified in Section 305(3) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA;

- (5) as specified in Regulation 36 and 36A of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

This offer is made in reliance on the exemption for restricted schemes under section 305 of the SFA. The scheme has not been entered into the list of restricted schemes maintained by the MAS. The MAS does not regulate the manager in respect of the management of the scheme.

FOR PROSPECTIVE SHAREHOLDERS IN SOUTH AFRICA

Neither this Memorandum nor the Shares have been approved, disapproved or passed on in any way by the Financial Services Conduct Authority or any other governmental authority in South Africa, nor has the Fund received authorization or licensing from the Financial Services Conduct Authority or any other governmental authority in South Africa to market or sell Shares within South Africa. This Memorandum is strictly confidential and may not be reproduced, used for any other purpose or provided to any person other than the intended recipient.

FOR PROSPECTIVE SHAREHOLDERS IN SOUTH KOREA

Neither the Fund nor any of its affiliates is making any representation with respect to the eligibility of any recipients of this Memorandum to acquire the Shares under the laws of Korea, including the Foreign Exchange Transaction Law and Regulations thereunder. The Shares are being offered and sold in Korea only to persons prescribed by Article 301, Paragraph 2 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, the Shares may not be resold to Korean residents unless the purchaser of the Shares complies with all applicable regulatory requirements (including governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Shares.

FOR PROSPECTIVE SHAREHOLDERS IN SWITZERLAND

The Fund has not been and cannot be registered with the Swiss Financial Market Supervisory Authority-FINMA and the Shares cannot be offered in Switzerland to non-qualified investors. The offering of the Fund into Switzerland is exempt from the prospectus requirement under the Swiss Financial Services Act dated June 15, 2018 (the "FinSA"). No prospectus pursuant to the FinSA has been or will be prepared for or in connection with the offering of the Fund. This Memorandum and/or any other offering materials relating to the Fund may be made available in Switzerland solely to investors that invest in the Fund on their own initiative in a manner that does not involve any offering.

FOR PROSPECTIVE SHAREHOLDERS IN THAILAND

This Memorandum is provided to you solely at your request and is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Memorandum has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Memorandum and any other documents and material in connection with the offer, sale or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any members of the public in Thailand. Neither the Fund, any of its affiliates or any of their respective representatives maintain any license, authorization or registration in Thailand nor is the Fund registered in Thailand. The offer and sale of securities within Thailand and the provision of securities

services in Thailand or to Thai persons or entities may not be possible or may be subject to legal restriction or conditions.

FOR PROSPECTIVE SHAREHOLDERS IN TURKEY

An issuance certificate relating to the Shares has not been approved by the Turkish Capital Markets Board pursuant to the provisions of the Capital Markets Law. No offering or other sale or solicitation will be made until an issuance certificate relating to the Shares has been approved by the Turkish Capital Markets Board pursuant to the provisions of the Capital Markets Law. The Shares may be offered in Turkey only to qualified investors, as this term is provided in Article 30 of the Foreign Securities and Mutual Funds Communiqué and as defined in applicable capital markets regulations. Each investor in the Fund in Turkey will be required to provide documents evidencing that it is a qualified investor pursuant to Article 30 of the Foreign Securities and Mutual Funds Communiqué. Qualified investors are presumed to be aware that the Fund has not made any advertisement or public disclosure, and should request any information necessary to make an informed investment decision directly from the Fund. The approval by the Capital Markets Board of an issuance certificate would not constitute a guarantee by the Capital Markets Board in relation to the Shares. This Memorandum is not intended to be an advertisement, promotion or solicitation of the Fund or any Shares. The Capital Markets Board or Borsa Istanbul does not have any discretion relating to the determination of the price of the Shares.

FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED ARAB EMIRATES (ABU DHABI AND DUBAI OUTSIDE OF THE DUBAI INTERNATIONAL FINANCIAL CENTRE)

By receiving this Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that neither this Memorandum nor the Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates (the "UAE"), the UAE Securities and Commodities Authority (the "SCA") or any other authority in the UAE, nor has the entity conducting the placement in the UAE received authorization or licensing from the Central Bank of the UAE, the SCA or any other authority in the UAE to market or sell the Shares within the UAE. The SCA accepts no liability in relation to the Fund and is not making any recommendation with respect to an investment in the Fund. No services relating to the Shares, including the receipt of applications and/or the allotment or redemption of such Shares, have been or will be rendered within the UAE by the Fund. Nothing contained in this Memorandum is intended to constitute UAE investment, legal, tax, accounting or other professional advice. This Memorandum is for the information of prospective investors only and nothing in this Memorandum is intended to endorse or recommend a particular course of action. Prospective investors should consult with an appropriate professional for specific advice rendered on the basis of their situation. No offer or invitation to subscribe for Shares or sale of Shares has been or will be rendered in, or to any persons in, or from, the Dubai International Finance Centre.

FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED ARAB EMIRATES (IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE)

This Memorandum relates to the Fund, which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (the "DFSA"). The DFSA has no responsibility for reviewing or verifying this Memorandum or any other documents in connection with the Fund. Accordingly, the DFSA has not approved this Memorandum or any other associated documents nor taken any steps to verify the information set out in this Memorandum, and has no responsibility for it. The Shares to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence with respect to the Shares. Shares are not being offered to "retail

clients" as defined in the Conduct of Business Module of the DFSA. If you do not understand the contents of this Memorandum you should consult an authorized financial adviser.

FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED KINGDOM

In the United Kingdom, this Memorandum is only available to persons who are (i) investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "PCIS Order"), as applicable; (ii) high net worth companies and certain other entities falling within Article 49 of the FPO or Article 22 of the PCIS Order; or (iii) any other persons to whom the Shares may lawfully be promoted. It must not be acted, or relied upon by any other persons. The Fund has not been authorized or recognized by the Financial Conduct Authority and investors will not have the benefit of the Financial Services Compensation Scheme or other protections afforded of the United Kingdom regulatory system.

FOR PROSPECTIVE SHAREHOLDERS IN URUGUAY

The Fund is not established under the system provided by Uruguayan Law 16,774 of September 27, 1996, and has not been registered with the Central Bank of Uruguay. The Shares have not been registered with the Central Bank of Uruguay and will not be offered or sold in Uruguay through public offering.