**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

April 2024

Limited Partnership Interests of

**ONDO I LP**

(a Delaware limited partnership)

Ondo Capital Management LLC

***Investment Manager***

500 West Putnam Avenue Suite 400

Greenwich, CT 06830

Ondo I GP LLC

***General Partner***

500 West Putnam Avenue Suite 400

Greenwich, CT 06830

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE “MEMORANDUM”) IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN LIMITED PARTNERSHIP INTERESTS IN ONDO I LP, A DELAWARE LIMITED PARTNERSHIP (THE “FUND”). THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, AND MAY NOT BE DELIVERED TO ANY PERSON (OTHER THAN YOUR FINANCIAL ADVISOR) WITHOUT PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER.

Offeree:

Copy #:

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**ONDO I LP**

THE INFORMATION CONTAINED IN THIS MEMORANDUM SUPERSEDES ALL PRELIMINARY VERSIONS HEREOF AND ALL OTHER INFORMATION POTENTIAL INVESTORS MAY HAVE RECEIVED FROM ONDO I GP LLC (THE “GENERAL PARTNER”) OR ANY OTHER PERSON RELATING TO THE FUND OR ANY OF ITS LIMITED PARTNERSHIP INTEREST.

THE LIMITED PARTNERSHIP INTERESTS OF THE FUND WHICH ARE DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. WITHIN AND OUTSIDE OF THE UNITED STATES, THIS OFFERING IS MADE AS A PRIVATE PLACEMENT PURSUANT TO SECTION 4(a)(2) OF THE SECURITIES ACT AND THE RULES AND REGULATIONS THEREUNDER, AS AMENDED FROM TIME TO TIME, AND ONLY TO PARTIES THAT ARE “ACCREDITED INVESTORS” AS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT.

THE FUND IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). ONDO CAPITAL MANAGEMENT LLC (THE “INVESTMENT MANAGER”) IS NOT CURRENTLY REGISTERED AS AN INVESTMENT ADVISER UNDER THE UNITED STATES INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (“INVESTMENT ADVISERS ACT”) BUT MAY REGISTER IN THE FUTURE.

THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF INTERESTS IN THE FUND IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS CONCERNING THE FUND WHICH ARE INCONSISTENT WITH THOSE CONTAINED IN THIS MEMORANDUM. PROSPECTIVE INVESTORS SHOULD NOT RELY ON ANY INFORMATION NOT CONTAINED IN THIS MEMORANDUM.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE LIMITED PARTNERSHIP INTERESTS OF THE FUND HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, FINANCIAL OR OTHER MATTERS RELEVANT TO THE SUITABILITY OF AN INVESTMENT IN THE FUND FOR SUCH INVESTOR.

THE LIMITED PARTNERSHIP INTERESTS OF THE FUND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS DESCRIBED IN THIS MEMORANDUM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME SUBJECT TO REDEMPTION RIGHTS WHICH ARE DESCRIBED IN GREATER DETAIL IN THIS MEMORANDUM.

THIS MEMORANDUM IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY THE GENERAL PARTNER, THE INVESTMENT MANAGER, OR THEIR AUTHORIZED REPRESENTATIVE FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE LIMITED PARTNERSHIP INTERESTS DESCRIBED HEREIN. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF THE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE FUND AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE.

EACH INVESTOR THAT ACQUIRES AN INTEREST (AS DEFINED BELOW) WILL BECOME SUBJECT TO THE PARTNERSHIP AGREEMENT (AS DEFINED BELOW) AND APPLICABLE SUBSCRIPTION DOCUMENTS (AS DEFINED BELOW). IN THE EVENT ANY TERMS OR PROVISIONS OF SUCH PARTNERSHIP AGREEMENT OR SUBSCRIPTION DOCUMENTS CONFLICT WITH THE INFORMATION CONTAINED IN THE MEMORANDUM, SUCH PARTNERSHIP AGREEMENT OR SUBSCRIPTION DOCUMENTS SHALL CONTROL.

WHENEVER THE MASCULINE OR FEMININE GENDER IS USED IN THIS MEMORANDUM, IT WILL EQUALLY, WHERE THE CONTEXT PERMITS, INCLUDE THE OTHER, AS WELL AS INCLUDE ENTITIES.

**ATTENTION RESIDENTS OF FLORIDA:**

WHERE SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA (EXCLUDING CERTAIN INSTITUTIONAL PURCHASERS DESCRIBED IN SECTION 517.061(7) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT (THE “FLORIDA ACT”)), ANY SUCH SALE MADE PURSUANT TO SECTION 517.061(11) OF THE FLORIDA ACT SHALL BE VOIDABLE BY THE INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH INVESTOR TO THE FUND, OR AN AGENT OF THE FUND, OR AN ESCROW AGENT OF THE FUND OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH INVESTOR, WHICHEVER OCCURS LATER.

## **DIRECTORY**

**General Partner** Ondo I GP LLC

500 West Putnam Avenue Suite 400

Greenwich, CT 06830

Telephone: 808-223-5602

Contact: Nathan Allman

**Investment Manager** Ondo Capital Management LLC

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Greenwich, CT 06830

Telephone: 808-223-5602

Contact: Nathan Allman

**Administrator** NAV Consulting, Inc.

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Oakbrook Terrace, IL 60181

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**Legal Counsel** Cole-Frieman & Mallon LLP

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Telephone: 415-868-5345

Facsimile: 415-493-0154

Contact: Bart Mallon

The Fund is in the process of identifying and retaining an accounting firm, including to provide audit services and services regarding publicly traded partnership tax matters.

Requests for additional information should be sent to the General Partner.

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**EXHIBIT A – PRIVACY POLICY**

## **SUMMARY OF KEY TERMS**

The following information is a summary of several aspects of an investment in the Fund and is qualified in its entirety by the detailed information provided elsewhere in this Memorandum and the attached exhibits, including the Limited Partnership Agreement for the Fund, as amended or restated from time to time (the “Partnership Agreement”). This Memorandum, the accompanying exhibits, and supporting documents must be read in their entirety by prospective investors. Capitalized terms used, but not defined, herein shall have the meanings given to them in the Partnership Agreement.

|  |  |
| --- | --- |
| **THE FUND** | Ondo I LP is a Delaware limited partnership formed on November 22, 2022. |
| **THE GENERAL PARTNER AND THE INVESTMENT MANAGER** | The General Partner is a Delaware limited liability company formed on November 22, 2022. The General Partner is responsible for the business and affairs of the Fund.  The Investment Manager is a Delaware limited liability company formed on November 22, 2022. The Investment Manager, in consultation with the General Partner, is responsible for the formation of the Fund’s investment policies and strategies, including the selection and termination of third-party sub-advisors for management of the Fund’s portfolio.  See section “Management” below for additional information on the General Partner, the Investment Manager and their key personnel. |
| **THE SUB-ADVISOR** | The Investment Manager, General Partner, and the Fund will enter into a sub-advisory agreement (each, a “Sub-Advisory Agreement”) with third party sub-advisors (all such sub-advisors collectively, the “Sub-Advisors”, and each, a “Sub-Advisor”), whereby the Sub-Advisors will provide investment advisory services to the Fund pursuant to the terms of the Sub-Advisory Agreement, under the ultimate supervision of the Investment Manager. The Investment Manager shall always retain the right to engage, change, discharge, and terminate the services of Sub-Advisor with respect to all or any portion of the Fund’s portfolio in its sole discretion. |
| **INVESTMENT OBJECTIVE AND STRATEGY** | The Fund’s objective is to maximize investor capital appreciation while minimizing the risk of permanent capital loss through market cycles. The Fund seeks to meet this objective by making investments in debt and fixed income securities, including those issued by the United States Department of the Treasury (the “Treasury Bills”), equity securities and instruments, asset-backed securities (the “ABS Bonds”), deposits, cash management products, and other securities. The Fund may pursue such an investment strategy (i) through direct investments or (ii) indirectly through investments in (A) other pooled investment vehicles (“Portfolio Funds”), including pooled investment vehicles with interests, shares, or underlying equity interests, as applicable, represented by Digital Assets (as defined below, and such pooled investment vehicles, “Tokenized Funds” and each, a “Tokenized Fund”), which make investments in such assets including, but not limited to, private credit funds or BlackRock USD Institutional Digital Liquidity Fund, Ltd.; (B) exchange-traded funds (an “ETF”) including, but not limited to, PIMCO Enhanced Short Maturity Active ETF (“PIMCO MINT ETF”), BlackRock Institutional Trust Company N.A. – iShares Short Treasury Bond ETF (“BlackRock SHV ETF”), and BlackRock iShares iBoxx $ High Yield Corporate Bond ETF (“BlackRock HYG”); (C) publicly traded registered investment companies including, but not limited to, PIMCO Dynamic Income Fund (“PIMCO PDI”); or (D) U.S. money market funds including, but not limited to, BlackRock Liquidity Funds FedFund Institutional (“TFDXX”).  For purposes of this Memorandum, the Fund’s direct and indirect investments in pursuit of the Fund’s investment strategy are collectively referred to as “Investments”.  Investments in Treasury Bills, Investments in Portfolio Funds (including, for the avoidance of doubt, Tokenized Funds) and/or ETFs which primarily pursue or track investments in Treasury Bills are collectively referred to as “Treasury Bills Investments”.  Investments in PIMCO MINT ETF or Investments in Portfolio Funds which primarily make investments in PIMCO MINT ETF are collectively referred to as “PIMCO MINT ETF Investments”.  Investments in ABS Bonds are referred to as “ABS Bonds Investments”.  Investments in BlackRock HYG or Investments in Portfolio Funds which primarily make investments in BlackRock HYG are collectively referred to as “BlackRock HYG Investments”.  *Portfolio Funds.* Distributions from any Portfolio Fund that are themselves subject to recall from the Fund by the underlying Portfolio Fund, or that increase the available capital commitment of the Fund to such Portfolio Fund, will correspondingly be subject to recall from the Limited Partners.  **There can be no assurance that the Fund will achieve this objective or that substantial losses will not be incurred.** |
| **THE OFFERING** | The Fund is offering Ondo Short-Term U.S. Government Bond Fund (“OUSG”), Ondo Short-Term Investment Grade Bond Fund (“OSTB”), and Ondo High Yield Corporate Bond Fund (“OHYG”) interests (collectively, the “Limited Partnership Interests” or “Interests”) to certain qualified investors as described herein and in the Subscription Documents.  The Limited Partnership Interests generally have the same rights and characteristics, differing solely as to which assets in the Fund’s portfolio they have exposure to. The Fund may create additional classes of Interests which Interests may be subject to different terms, including, without limitation, denomination of currency, fees charged, minimum commitment amounts, withdrawal rights, and other rights.  OUSG Limited Partnership Interests will be invested solely in and have exposure only to Treasury Bills Investments (the “OUSG Portfolio”).  OSTB Limited Partnership Interests will be invested solely in and have exposure only to PIMCO MINT ETF Investments (the “OSTB Portfolio”).  OHYG Limited Partnership Interests will be invested solely in and have exposure only to BlackRock HYG Investments (the “OHYG Portfolio” and collectively with the OUSG Portfolio, the OSTB Portfolio and any future Class portfolios, the “Class Portfolios” and each, a “Class Portfolio”).  Each Class Portfolio may have exposure to U.S dollar “stablecoins” (e.g., USDC tokens and PYUSD).  Each Class of Limited Partnership Interests will be represented by one or more separate Digital Assets.  OUSG Limited Partnership Interests will be represented by two different Token Unit versions: (i) the OUSG Token Units (the “OUSG Tokens”), which will be the accumulating version of the OUSG Limited Partnership Interest and (ii) the rOUSG Token Units, which will be the rebasing version of the OUSG Limited Partnership Interest (the “rOUSG Tokens”). Class OUSG Limited Partners will be able to choose between holding OUSG Tokens, rOUSG Tokens, or both with respect to their investment in OUSG Limited Partnership Interests.  OSTB Limited Partnership Interests will be represented by the OSTB Token Units (the “OSTB Tokens”).  OHYG Limited Partnership Interests will be represented by the OHYG Token Units (the “OHYG Tokens” collectively with the OUSG Tokens, rOUSG Tokens, the OSTB Tokens, and any future token units, the “Token Units” and each, a “Token Unit”).  Subject to any limitations imposed by the General Partner, each Limited Partner may, subject to the General Partner’s discretion, elect to exchange all or a portion of its holding of Token Units for different Token Units. This exchange of a Class of Limited Partnership Interests may only be accomplished by an in-kind withdrawal of a Class of Token Units for another Class of Token Units. Each Limited Partner should consult its own tax advisors as to the tax consequence of the exchange of Token Units (and thus the related Class of Limited Partnership Interest) before making such election.  Subject to any limitations imposed by the General Partner, each Limited Partner may, subject to the General Partner’s discretion, elect to exchange, without withdrawal, all or a portion of its holding of a version of Token Units for a different version of Token Units in the same Class of Limited Partnership Interest (e.g., a rebasing version of a Token Unit for an accumulating version of such Token Unit). Limited Partners should consult their own tax advisors as to the potential tax consequence of the exchange of versions of Token Units before making such election.  The ownership and transfer of the Token Units will be authenticated and recorded via an open source, public, blockchain-based distributed computing platform and operating system featuring smart contract functionality. The books and records of the Fund with respect to the ownership of the Limited Partnership Interests will be concurrently updated by the General Partner in order to properly reflect the ownership of the Limited Partnership Interests represented by the Token Units.  Accordingly, in connection with any right, authority, or power that may be exercised by the General Partner with respect to Limited Partnership Interests pursuant to the Partnership Agreement, such right, authority, or power may also be exercised by the General Partner to the same extent with respect to Token Units. In addition, in connection with any right or obligation associated with Limited Partnership Interests under the Partnership Agreement, the Token Units will be deemed to carry such right or obligation associated with the Limited Partnership Interests.  “Digital Assets” as used herein shall mean blockchain-based digital assets, including, but not limited to, virtual currencies, non-securities tokens, securities tokens, protocol tokens, smart contracts, blockchain-based assets, cryptoassets and other cryptofinance and digital assets that currently exist, or may exist in the future including, but not limited to, digital platforms such as blockchain assets, decentralized finance (“DeFi”) assets, as well as “synthetic” digital assets (e.g., entirely new tokens being created on existing blockchain technology), digital currency networks, digital coins, altcoins, cryptocurrency platforms, cryptocurrencies, decentralized application tokens and protocol tokens, cryptocurrency mining and other cryptofinance and digital assets.  Interests may be offered by any form of general solicitation or general advertising pursuant to Rule 506(c) under Regulation D promulgated under the Securities Act, provided that the Fund takes reasonable steps to verify that each prospective investor is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D and complies with all applicable laws and regulations. Each prospective investor must have completed and submitted all requested documentation necessary for the Fund to make such verification.    Each Limited Partner will be required to represent and warrant to the Fund in connection with its subscription, among other things, that the Limited Partner: (i) is acquiring an Interest for its own account for investment purposes only and not with a view toward resale or other distribution in whole or in part; (ii) will not transfer, sell or otherwise dispose of its Interest in any manner that will violate the Securities Act or other applicable laws, rules or regulations; and (iii) is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, and a “qualified purchaser” as that term is defined in Section 2(a)(51) of the Investment Company Act.  Notwithstanding anything to the contrary in this Memorandum, no New York resident (within the meaning of Section 200.2(h) of the New York Codes, Rules and Regulations) will be permitted to be admitted to the Fund as a Limited Partner. In addition, in the event that a Limited Partner becomes a New York resident after the date of admission to the Fund as a Limited Partner, the General Partner will be permitted to exercise a mandatory withdrawal against such Limited Partner pursuant to the Partnership Agreement.  The minimum initialinvestment that will be accepted from a new Limited Partner is $100,000 and the minimum additional investment that will be accepted from an existing Limited Partner is $50,000. The General Partner may raise or lower the minimum investment amounts from time to time and accept Capital Contributions below the established minimums in its sole discretion. Capital Contributions will be credited to the Fund as of the first Business Day (as defined below) of each week or on such other day or days as the General Partner may from time to time determine. Capital Contribution will generally be credited to the Fund on the same Business Day, subject to the requirements as described immediately below. The General Partner may reject any Capital Contribution in its sole discretion.  Capital Contributions made in connection with a subscription of OUSG Limited Partnership Interests must be received by the Fund at or prior to the time the Fund updates the net asset value of the Fund on the blockchain on which the Token Units operate (such event, the “NAV Update”). Capital Contributions made in connection with a subscription of OUSG Limited Partnership Interests received by the Fund after the NAV Update will be considered as a subscription in advance and be credited to the Fund on the following Business Day.  Token Units will generally be issued to the Limited Partner on the Business Day following the Business Day when such Limited Partner’s Capital Contribution is credited to the Fund; *provided* *that*, in the event of any unforeseen technology, system, operational, or blockchain disruption, Token Units may be issued to the Limited Partner on a later Business Day.  Limited Partners may also elect, subject to the General Partner’s discretion, to receive the OUSG Tokens and/or rOUSG Tokens instantly when such Limited Partner makes its Capital Contribution to the Fund, by giving notice of such election to the General Partner through the Investment Manager’s website when subscribing for Token Units directly on-chain (such election, an “Instant Mint Election”); *provided that*,such Limited Partner may, in the General Partner’s sole discretion, be subject to a minting fee (the “Instant Mint Fee”) as listed on the Investment Manager’s website (and subject to modification in the General Partner’s sole discretion). The Instant Mint Fee shall be paid to the Fund and invested into Investments for the benefit of the Limited Partners.  With respect to an Instant Mint Election made by Limited Partners prior to the NAV Update for a particular Business Day, Limited Partners’ Capital Contributions will be credited to the Fund on the same Business Day as the Instant Mint Election is made. Instant Mint Elections made by Limited Partners at any time after the NAV Update for a Business Day will be treated as an Instant Mint Election on the following Business Day.  The General Partner intends to make a NAV Update for every Business Day in each Fiscal Year but retains, in its sole discretion, the power to determine the frequency of updating the Fund’s net asset value in shorter or longer determination as it so chooses.  The General Partner, in its sole discretion, may waive the Instant Mint Fee with respect to any Limited Partner. If charged, the Instant Mint Fee will be taken directly from such Limited Partner’s Capital Contribution such that the entirety of such Limited Partner’s Capital Contribution may not be invested in any Class Portfolio. Subject to any unforeseen technology, system, operational, or blockchain disruption, the same day issuance of OUSG Tokens and/or rOUSG Tokens cannot be guaranteed. The General Partner will use its best efforts to process and complete a Limited Partner’s Instant Mint Election. Any Instant Mint Election not processed or completed on the same Business Day will be processed and completed on the next possible Business Day.  The Fund may, in the General Partner’s sole discretion, accept Capital Contributions in-kind (e.g., in the form of U.S. dollar “stablecoins” deemed acceptable by the General Partner in its sole discretion) (such forms of Capital Contributions, “In-Kind Contributions”), in lieu of, or in addition to, cash as payment for Interests.  If the General Partner accepts a Limited Partner’s In-Kind Contribution to the Fund, the Fund may, in the General Partner’s discretion, assess a special charge against such Limited Partner equal to the actual costs incurred by the Fund in connection with accepting such In-Kind Contribution, including the costs of liquidating such In-Kind Contribution or otherwise adjusting the Fund’s portfolio to accommodate such investment. **Any Limited Partner who contributes In-Kind Contributions to the Fund should consult with such Limited Partner’s tax advisors as to the tax effect of such contribution.**  In-Kind Contributions will be valued as of 11:59pm UTC on the day immediately preceding the date the In-Kind Contribution is credited to the Fund, in accordance with the General Partner’s valuation policy. Changes in relative value of the Digital Asset(s) against the U.S. dollar will affect the value of the In-Kind Contribution and may result in a Limited Partner’s Capital Account being credited with a higher or lower U.S. dollar value of the In-Kind Contribution at the time it is sent to the Fund. Moreover, all of the risks of Digital Assets will thus be borne directly by the Limited Partner during the period from when such In-Kind Contribution is accepted by the Fund and when such In-Kind Contribution is credited to the Fund.  The Fund is authorized, without providing prior notice to, or receiving consent from, existing Partners, to issue additional classes of Interests (together with OUSG, OSTB, and OHYG, each a “Class”), which Interests may be subject to different terms, including, without limitation, denomination of currency, fees charged, minimum commitment amounts, withdrawal rights, and other rights. The terms of such Classes will be determined by the General Partner in its sole discretion. |
| **RISK FACTORS** | The investment program of the Fund is speculative and entails substantial risks. There can be no assurance that the investment objective of the Fund will be achieved and that investors will not incur losses. Moreover, an investment in the Fund provides limited liquidity since the Transfer (as defined below) of Interests is subject to certain restrictions as described herein, and the Limited Partners will have limited withdrawal rights. All investments risk a total loss of capital. See section “Risk Factors” below.  **Such section does not purport to be a complete enumeration or explanation of the risks involved in the Fund.** |
| **MANAGEMENT FEE** | The Investment Manager and/or any Sub-Advisor engaged by the Investment Manager with respect to the management of all or any portion of the Fund’s portfolio (including any particular Class or Class Portfolio), as applicable, will receive a monthly management fee (the “Management Fee”) calculated based on each relevant Limited Partner’s “Management Fee Base” (as defined below).  Management Fees will be calculated monthly but will be paid daily based on the value of each Limited Partner’s Management Fee Base (as defined below) as of the beginning of the first day of each month. A Limited Partner’s “Management Fee Base” for any calendar month means such Limited Partner’s Capital Account balance as of the first day of such calendar month (or such Limited Partner’s initial Capital Account balance if such Limited Partner makes a Capital Contribution at any time other than at the beginning of a calendar month) accounting for any additional subscriptions, withdrawals, and changes in the Fund’s net asset value as of the first day of each month.  The Management Fee for each Class of Interests may be calculated differently.    OUSG Limited Partners will be subject to a Management Fee calculated at an annual rate of 0.15% (0.0125% per month) and paid daily (calculated *pro rata* for the month) being based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OUSG Capital Account, as of the first day of each calendar month.  OSTB Limited Partners will be subject to a Management Fee calculated at an annual rate of 0.15% (0.0125% per month) and paid daily (calculated *pro rata* for the month) being based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OSTB Capital Account, as of the first day of each calendar month.  OHYG Limited Partners will be subject to a Management Fee calculated at an annual rate of 0.15% (0.0125% per month) and paid daily (calculated *pro rata* for the month) being based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OHYG Capital Account, as of the first day of each calendar month.  The Investment Manager and/or the Sub-Advisor, as applicable, may elect to reduce, otherwise modify, or waive the Management Fee with respect to any relevant Limited Partner, including allowing the Management Fee to accrue without being actually paid as indicated above. If a Limited Partner makes a Capital Contribution at any time other than at the beginning of a calendar month, a pro rata portion of the Management Fee will be paid to the Investment Manager and/or Sub-Advisor, as applicable, (based on the actual number of days remaining in such partial month).  For purposes of illustration only, if a OUSG Limited Partner makes a Capital Contribution of $100 on the first day of March, such Limited Partner’s Management Fee Base for March shall equal to $100, accounting for additional subscriptions, withdrawals, and/or changes in the Fund’s net asset value as of the first day of March. The Limited Partner will be subject to a daily Management Fee calculated at a monthly rate of 0.0125% and calculated pro rata for the month (approximately 0.00040323% per day) based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OUSG Capital Account. |
| **EXPENSES** | The Fund bears and shall be responsible for its own expenses, including, but not limited to: (i) Management Fees; (ii) all general investment expenses (i.e., exchange commissions and expenses, brokerage commissions, research expenses, data processing costs and expenses, bank service fees, interest expenses, borrowing charges, custodial expenses, outsourced risk management advisory and software, investment-related consultants, brokers or other professionals or advisors, including any Sub-Advisors, who provide advice or due diligence services with regard to Investments, and travel costs that are research-related and other investment expenses); (iii) expenses incurred in connection with the tokenization of the Interests including the creation and distribution of the Token Units; (iv) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance, and consulting costs and expenses; (v) all fees, costs and expenses related to middle office operations which may include daily reconciliation of cash, cost, positions, and valuations; (vi) fees, costs, and expenses of third-party service providers that provide such services; (vii) costs and expenses associated with preparing investor communications, printing, and mailing costs; (viii) insurance costs and expenses (e.g., for the assets of the Fund, D&O, E&O); (iv) marketing and syndication expenses; (x) taxes and other governmental charges; (xi) governmental licensing, filing, and exemption fees (including Blue Sky filing fees); (xii) indemnification obligations; (xiii) all judgments, settlements, fines, and expenses (including reasonable attorneys’ fees) incurred in connection with any actual, anticipated, or threatened litigation or governmental inquiry, investigation, or proceeding, including any examination, audit, request for information, subpoena, or any similar request or requirement from the U.S. Internal Revenue Service (“IRS”), the U.S. Securities and Exchange Commission (“SEC”) or any other local, state, federal, or foreign authority; and (xiv) any extraordinary expenses.  The General Partner, the Investment Manager, and any Sub-Advisor bear their own expenses, including office space and utilities, computer equipment and software (not otherwise paid by the Fund) and secretarial, clerical, employee related and other personnel, except as assumed by the Fund.  Expenses incurred with respect to the following Fund matters will be paid by the General Partner (collectively, the “Organizational Expenses”): (i) all costs and expenses related to the formation and organization of the Fund and the offering and sale of the Interests and partnership interests in any parallel investment vehicle (excluding any expenses incurred in connection with the tokenization of the Interests including the creation and distribution of the Token Units), and (ii) the negotiation, execution, and delivery of the Partnership Agreement, any side letter, any investment management agreement, and any related or similar documents, including, without limitation, any related legal and accounting fees and expenses, travel expenses, and filing fees. |
| **ALLOCATION OF NET INCOME OR NET LOSS; PERFORMANCE ALLOCATION** | The Net Income or Net Loss of the Fund (including realized and unrealized gains and losses) will be allocated to each Limited Partner in proportion to their respective Capital Account balances.  Limited Partners shall not be subject to any performance-based fee or allocation paid to the General Partner. |
| **WITHDRAWALS** | Capital Accounts of Limited Partners may be withdrawn as of the end of any calendar week, upon not less than seven (7) calendar days’ prior written notice to the General Partner. Each date on which Capital Accounts may be withdrawn is herein referred to as a “Withdrawal Date”.  Provided that the General Partner has received all necessary documentation, the Fund will distribute proceeds payable to an OSTB and OHYG Limited Partner in connection with a withdrawal in U.S. dollars within thirty (30) calendar days (payment may be made within a shorter time frame, subject to settlement and cash availability) after an authorized Withdrawal Date.  With respect to OUSG Limited Partners, provided that the General Partner has received all necessary documentation, the Fund will distribute proceeds payable to an OUSG Limited Partner in connection with such Limited Partner’s withdrawal in U.S. dollars within seven (7) calendar days after an authorized Withdrawal Date.  Subject to the General Partner’s discretion (and available Fund liquidity), Limited Partners may also elect to make same day withdrawals, giving notice to the General Partner of the intent to make a withdrawal and receiving a distribution of withdrawal proceeds on the same authorized Withdrawal Date (such election, an “Accelerated Withdrawal Election”, and the Withdrawal Date on which such Accelerated Withdrawal Election was made and fulfilled, the “Accelerated Payment Date”), *provided that*, such Limited Partner may, in the General Partner’s sole discretion, be subject to a withdrawal fee (the “Accelerated Withdrawal Fee”), which shall be paid to the Fund and invested in Investments for the benefit of the Limited Partners, subject to the additional requirements and restrictions as described immediately below.  The Accelerated Withdrawal Fee will be calculated at a rate up to a maximum of 0.5% of the Limited Partner’s withdrawal amount on the Accelerated Payment Date. The Accelerated Withdrawal Fee will be listed on the Investment Manager’s website (and subject to modification in the General Partner’s sole discretion). The General Partner may, in its sole discretion, waive the Accelerated Withdrawal Fee with respect to any withdrawing Limited Partners. Same day withdrawals are not guaranteed (and subject to the Fund’s liquidity), and the General Partner will use its best efforts to process and complete a Limited Partner’s Accelerated Withdrawal Election in connection with such Limited Partner’s withdrawal of its Capital Account. Any Accelerated Withdrawal Election not processed or completed on the same authorized Withdrawal Date will be processed and completed on the next following Business Day when such withdrawals can be processed.  Upon a Limited Partner’s Accelerated Withdrawal Election, the Fund will promptly (with respect to each Accelerated Withdrawal Election for a particular Accelerated Payment Date) distribute the withdrawal proceeds payable to such Limited Partner instantly, calculated using the Fund’s net asset value as of the most recent NAV Update.  The General Partner, in its sole discretion, may waive any of the foregoing requirements or restrictions, in whole or in part, for certain Limited Partners. If the General Partner in its sole discretion permits a Limited Partner to withdraw capital on any date other than a Withdrawal Date, the General Partner may impose an additional administrative fee to cover the legal, accounting, administrative, brokerage, and any other costs and expenses associated with such withdrawal.  The General Partner may suspend withdrawal rights for OSTB and/or OHYG Limited Partners in certain circumstances. The General Partner may not suspend withdrawals and/or payments due to OUSG Partners in connection with such Partners’ withdrawal of OUSG Interests.  The General Partner, by written notice to any Limited Partner, may compel the withdrawal of all of such Limited Partner’s Capital Account at any time and for any reason or no reason at all. |
| **SECONDARY TRANSFERS** | The Partnership Agreement provides the following restrictions with respect to secondary transfers:  (i) Subject to clause (ii) below, no Transfer of Limited Partnership Interests, whether voluntary or involuntary, will (to the maximum extent permitted by applicable law) be valid or effective and no Transferee will become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained (which can be withheld in the General Partner's sole discretion). Any Transfer of Limited Partnership Interests in violation of the Partnership Agreement will be null and void and of no force or effect.  As used herein, “Transfer” means any direct or indirect assignment, sale, transfer, tender, pledge, hypothecation, or the grant, creation or suffrage of a lien or encumbrance in or upon, or the gift, placement in trust, or the Constructive Sale (as defined below) or other disposition of any Limited Partnership Interests or Token Units (including, without limitation, transfer by testamentary or intestate succession, or otherwise by operation of law) or any right, title or interest therein (including, without limitation, any right or power to vote to which the holder thereof may be entitled, whether such right or power is granted by proxy or otherwise), or the record or beneficial ownership thereof, the offer to make such a sale, transfer, Constructive Sale or other disposition, and each agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing.  “Constructive Sale” means any short sale with respect to any Limited Partnership Interests or Token Units, entering into or acquiring an offsetting derivative contract with respect to any Limited Partnership Interests or Token Units, entering into or acquiring a futures or forward contract to deliver any Limited Partnership Interests or Token Units, or entering into any other hedging or other derivative transaction that has the effect of materially changing the benefits and risks of ownership of any Limited Partnership Interests or Token Units.  (ii) Notwithstanding clause (i), in the event that Limited Partnership Interests are represented by Token Units, transferring an ownership interest in the Fund may only be accomplished pursuant to transferring Token Units (and not transferring Limited Partnership Interests). In addition, in connection with the foregoing, a Limited Partner may Transfer its Token Units (a) to an “external owned account” (“EOA”) then on a whitelist of EOAs maintained by the General Partner or (b) by virtue of interacting with a smart contract address then on a whitelist of smart contract addresses maintained by the General Partner, in each case, without the prior written consent of the General Partner. Pursuant to the foregoing, in the event of any Transfer of Token Units to an EOA, the holder of such EOA will thereby be admitted as a Limited Partner of the Fund, and the books and records of the Fund will be updated accordingly. All potential Transferees must be on a whitelist maintained by the General Partner. If an EOA or smart contract address is not whitelisted on the Fund’s records, then any putative Transfer of Token Units (x) to such potential EOA or (y) by virtue of interacting with such smart contract address will be null and void and of no force or effect.  (iii) Notwithstanding anything to the contrary in the Partnership Agreement, in the event that a Transfer of Token Units would (a) adversely affect the Fund’s and/or any offer or sale of any Token Units’ reliance on an exemption from registration under the Securities Act or (b) adversely affect the Fund’s reliance on the Fund’s exclusion from the status of being an “investment company” within the meaning of the Investment Company Act, in each case as determined by the General Partner in its sole discretion, then the General Partner, in its sole discretion, may require a Limited Partner to redeem some or all of its Token Units at any time pursuant to the Partnership Agreement or terminate or otherwise destroying such transferee’s Token Units. |
| **SELLING COMMISSIONS** | Selling commissions and/or referral fees may be paid in connection with the offering of the Limited Partnership Interests. A portion of the Management Fee may be remitted to third parties introducing Limited Partners to the Fund, or the General Partner or Investment Manager may use its own resources to compensate third parties for such introductions. The Sub-Advisors, in consultation with the Investment Manager, may also direct brokerage from Fund trades to broker-dealers which introduce Limited Partners to the Fund, subject to applicable laws. |
| **REGULATORY MATTERS** | Interests will not be registered with the SEC in reliance upon an exemption from the registration requirements of the Securities Act. As a result, the transferability of Interests will be restricted.  In reliance on Section 3(c)(7) of Investment Company Act, the Fund has not registered as an investment company because the Fund’s Interests are owned solely by “qualified purchasers” and/or “knowledgeable employees”, as those terms are defined in the Investment Company Act.  The Investment Manager is not currently registered as an investment adviser under the Investment Advisers Act, and relies on an exemption from registration as an investment adviser with the SEC pursuant to Section 275.203(m)-1 of Title 17 of the Code of Federal Regulations, but may register as an investment adviser in the future if so required by the Investment Advisers Act.  The Sub-Advisors shall be in compliance with all applicable laws, rules, and regulations with respect to their engagement by the Investment Manager, including the Investment Advisers Act (if applicable). |
| **REPORTS** | Each Limited Partner will receive monthly unaudited reports of the Fund’s performance. As soon as reasonably practicable after the end of each Fiscal Year, each Limited Partner will also receive annual audited financial statements, copies of Schedule K-1 to the Fund’s tax return and such tax information as shall enable such Limited Partner or former Limited Partner (or its legal representatives) to prepare its Federal income tax return in accordance with the laws, rules and regulations then prevailing. The books of account and records of the Fund shall be audited, in accordance with GAAP, as of the end of each Fiscal Year by independent certified public accountants designated from time to time by the General Partner. Notwithstanding the above, the General Partner may elect, in its sole discretion, to have the Fund’s annual audits begin after the first full fiscal year of the Fund. If such election is made, the first audit will cover the period from the inception of the Fund to the end of the first full fiscal year, and Limited Partners will begin to receive annual audited financial statements as soon as is reasonably possible following completion of the initial audit. |
| **TAX MATTERS** | The Fund expects to operate in a manner that will allow it to be treated as a partnership, and not as an association or a publicly traded partnership treated as a corporation, for U.S. Federal income tax purposes. Accordingly, the Fund does not expect be subject to Federal income tax, and each Limited Partner will be required to report on its own annual tax return such Limited Partner’s distributive share of the Fund’s taxable income or loss.  It is important to note that although the Fund is expected to be treated as a partnership for U.S. Federal income tax purposes, (i) it is expected that the Fund will be a “publicly traded partnership” and (ii) the Fund intends to operate in a manner that will allow it to qualify under the exception provided in Section 7704(c) of the U.S. Internal Revenue Code of 1986, as amended, such that it would not be treated as a corporation for U.S. Federal income tax purposes. Please see “Tax Considerations” for important additional information, including the material adverse consequences that could result in the event that the Fund is not able to satisfy the foregoing exception.  Prospective investors should consult their own advisors regarding the tax consequences of and risks related to an investment in the Fund applicable to them. |
| **Subscription Procedure** | In order to subscribe for Interests, Limited Partners must complete the Subscription Documents (the “Subscription Documents”) and return them to the General Partner at least five (5) Business Days prior to the beginning of the month in which the investment will be made (or a lesser time period, subject to the discretion of the General Partner). If the Fund, in the General Partner’s sole discretion, accepts a Limited Partner’s subscription agreement (the “Subscription Agreement”) (whether in respect of the full subscription amount or only part thereof), such Limited Partner must transmit its Capital Contribution to the Fund by wire transfer (or other method as applicable) in accordance with the General Partner’s instructions no later than three (3) Business Days before the relevant investment date (subject to waiver by the General Partner in its sole discretion).  The Subscription Agreement constitutes a binding offer to purchase the Interests subscribed for thereunder and an agreement to hold such offer open until the subscription is accepted or rejected by the Fund. Execution of the Subscription Agreement and its acceptance by the Fund together constitute an agreement to be bound by the terms of the Subscription Agreement and the Partnership Agreement. The General Partner, on behalf of the Fund, in its sole discretion, reserves the right to accept or reject any Subscription Agreement, and any Capital Contributions to the Fund, in whole or in part.  To ensure compliance with applicable laws, regulations, and other requirements relating to money laundering, the General Partner or Administrator may require additional information to verify the identity of any person who subscribes for an Interest in the Fund. |
| **FISCAL YEAR; ACCOUNTING MATTERS; FISCAL PERIOD** | The Fund’s Fiscal Year will be the calendar year unless the General Partner determines otherwise. The Fund will keep its financial books under the accrual method of accounting, and as to matters not specifically described herein or in the Partnership Agreement, in accordance with GAAP consistently applied.    A new fiscal period (“Fiscal Period”) shall commence as of the beginning of each Business Day (as defined below), on the first day of each calendar month, on each date of any Capital Contribution to the Fund, and on each date next following the date of any withdrawal of capital or retirement from the Fund, and the prior Fiscal Period shall end on the date immediately preceding such date of commencement of a new Fiscal Period. The General Partner may from time to time change the Fiscal Period. A “Business Day” shall be each day when the New York Stock Exchange is open for trading. |
| **LEGAL COUNSEL** | Cole-Frieman & Mallon LLP has served as counsel to the Fund in connection with the organization of the Fund and the offering of Interests. Cole-Frieman & Mallon LLP also acts as counsel to the General Partner and Investment Manager. In addition, Orrick Herrington & Sutcliffe LLP has served as legal counsel to the Fund, the General Partner, the Investment Manager, and their affiliates with respect to certain matters relating to the tokenization of Interests and other related matters. In connection with the Fund’s offering of Interests, the tokenization of Interests, any related matters, and any subsequent advice to the Fund, the General Partner, the Investment Manager and their respective affiliates, neither Cole-Frieman & Mallon LLP nor Orrick, Herrington & Sutcliffe LLP will be representing Limited Partners of the Fund. No independent counsel has been retained to represent Limited Partners of the Fund.  Neither Cole-Frieman & Mallon LLP nor Orrick, Herrington & Sutcliffe LLP serves as counsel for any Sub-Advisor.  The statements made in this Memorandum are those of the Fund, the Investment Manager and the General Partner and not of Cole-Frieman & Mallon LLP or Orrick, Herrington & Sutcliffe LLP. |

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## **INTRODUCTION**

This Memorandum sets forth the investment objective and method of operation of the Fund, the principal terms of the Partnership Agreement, and certain other pertinent information. However, the Memorandum does not set forth all the provisions and distinctions of the Partnership Agreement that may be significant to a particular prospective Limited Partner. Each prospective Limited Partner should examine this Memorandum, the Partnership Agreement, and the Subscription Documents accompanying this Memorandum in order to assure that the terms of the Partnership Agreement and the Fund’s investment program are satisfactory to each Limited Partner.

Prospective Limited Partners may wish to review materials available from the General Partner relating to the Fund, the operations of the Fund, and any other matters regarding the Fund. The General Partner will afford prospective Limited Partners the opportunity to ask questions of and receive answers from its representatives concerning the terms and conditions of the offering and to obtain any additional information to the extent that the General Partner or the Fund possesses such information or can acquire it without unreasonable effort or expense.

The proceeds from the sale of Interests in the Fund offered hereby will be available for use in the Fund’s investment program.

## **INVESTMENT PROGRAM**

THE FUND MAY BE DEEMED TO BE A HIGHLY SPECULATIVE INVESTMENT AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. IT IS DESIGNED ONLY FOR SOPHISTICATED PERSONS WHO CAN BEAR THE ECONOMIC RISK OF THE LOSS OF THEIR INVESTMENT IN THE FUND AND WHO HAVE A LIMITED NEED FOR LIQUIDITY IN THEIR INVESTMENT. THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE.

**Investment Objective and Strategy.** The Fund’s objective is to maximize investor capital appreciation while minimizing the risk of permanent capital loss through market cycles. The Fund seeks to meet this objective by making investments in debt and fixed income securities, Treasury Bills, equity securities and instruments, ABS Bonds, deposits, cash management products, and other securities. The Fund may pursue such an investment strategy (i) through direct investments or (ii) indirectly through investments in (A) Portfolio Funds (including Tokenized Funds); (B) ETFs including, but not limited to, PIMCO MINT ETF, BlackRock SHV ETF, and BlackRock HYG; (C) publicly traded registered investment companies including, but not limited to, PIMCO PDI; (D) U.S. money market funds including, but not limited to, TFDXX.

For purposes of this Memorandum, the Fund’s direct and indirect investments in pursuit of the Fund’s investment strategy are collectively referred to as “Investments”.

Investments in Treasury Bills, Investments in Portfolio Funds (including, for the avoidance of doubt, Tokenized Funds) and/or ETFs which primarily pursue or track investments in Treasury Bills are collectively referred to as “Treasury Bills Investments”.

Investments in PIMCO MINT ETF or Investments in Portfolio Funds which primarily make investments in PIMCO MINT ETF are collectively referred to as “PIMCO MINT ETF Investments”.

Investments in ABS Bonds are referred to as “ABS Bonds Investments”.

Investments in BlackRock HYG or Investments in Portfolio Funds which primarily make investments in BlackRock HYG are collectively referred to as “BlackRock HYG Investments”.

*Portfolio Funds.* Distributions from any Portfolio Fund that are themselves subject to recall from the Fund by the underlying Portfolio Fund, or that increase the available capital commitment of the Fund to such Portfolio Fund, will correspondingly be subject to recall from the Limited Partners.

**There can be no assurance that the Fund will achieve this objective or that substantial losses will not be incurred.**

**Other Activities, Techniques.** The Investment Manager is not limited by the above discussion of the investment program. Further, the investment program is a strategy as of the date of this Memorandum only. The Investment Manager has wide latitude to invest or trade the Fund’s assets, to pursue any particular strategy or tactic, engage, change, discharge, or terminate any Sub-Advisor, or to change the emphasis without obtaining the approval of the Limited Partners. The investment program imposes no significant limits on the types of instruments in which the Investment Manager may take positions, the type of positions it may take, its ability to borrow money, or the concentration of investments by sector, industry, issuer, counterparty, servicer, country, asset class or otherwise. The foregoing description is general and is not intended to be exhaustive. Prospective investors must recognize that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality, and subjectivity of such processes. In addition, the description of virtually every trading strategy must be qualified by the fact that trading approaches are continually changing, as are the markets invested in by the Investment Manager.

**Portfolio Funds.** Distributions from any Portfolio Fund that are themselves subject to recall from the Fund by the underlying Portfolio Fund, or that increase the available capital commitment of the Fund to such Portfolio Fund, will correspondingly be subject to recall from the Limited Partners or will increase the available capital commitment of the Limited Partners, as applicable.

**Potential Master Fund or Other Funds.** In the future, the Fund may enter into arrangements with other investment funds managed by the General Partner, the Investment Manager or their respective affiliates with the same or substantially similar investment objectives as the Fund’s to allow other funds to contribute their assets to the Fund so that the Fund makes direct investments on such funds’ behalf or pursue its investment activities by investing all or a portion of its assets in a “Master Fund” that will conduct the investment activities described in this Memorandum. Even during periods in which the Fund’s assets are invested primarily through a Master Fund, the Fund may also invest some of its assets directly rather than through such Master Fund. The Partnership Agreement provides that the General Partner may either allow other funds to contribute their assets to the Fund or contribute the Fund’s assets to a Master Fund managed by the General Partner, the Investment Manager or their respective affiliates without consent of the Limited Partners.

## **MANAGEMENT; SUB-ADVISORS**

Ondo I GP LLC, a Delaware limited liability company, is the General Partner of the Fund. The General Partner is responsible for the business and affairs of the Fund.

Ondo Capital Management LLC, a Delaware limited liability company, is the Investment Manager of the Fund. The Investment Manager, in consultation with the General Partner, is responsible for the formation of the Fund’s investment policies and strategies, including the selection and termination of Sub-Advisors for management of the Fund’s Portfolio.

Nathan Allman and Justin Schmidt are the principals of the General Partner and the Investment Manager.

The Investment Manager is not currently registered as an investment adviser under the Investment Advisers Act, and relies on an exemption from registration as an investment adviser with the SEC pursuant to Section 275.203(m)-1 of Title 17 of the Code of Federal Regulations, but may register as an investment adviser in the future if so required by the Investment Advisers Act.

The Sub-Advisors shall be in compliance with all applicable laws, rules, and regulations with respect to their engagement by the Investment Manager, including the Investment Advisers Act (if applicable).

**Nathan Allman, Principal.** Mr. Allman is the Founder and Chief Executive Officer at Ondo Finance, Inc. He previously worked at Goldman Sachs Group, Inc., a multinational investment bank and financial services company, on the digital assets team, and he also has a background in private credit investing at Prospect Capital. He has an A.B. from Brown University.

**Justin Schmidt, Principal.** Justin was previously the Head of Strategy at Talos Trading Inc. and the former Head of Digital Assets at Goldman Sachs. Justin has over 20 years of investing and capital markets experience, including as a portfolio manager at Millennium Management LLC and WorldQuant, LLC, and holds a Bachelor’s and Master’s degree in Computer Science from MIT.

**Investment Management Agreement.** The General Partner has delegated authority pursuant to the Investment Management Agreement to make certain general management and investment decisions to the Investment Manager. Pursuant to the Investment Management Agreement, the Investment Manager is responsible for the formation of the Fund’s investment policies and strategies, including the selection and termination of Sub-Advisors for management of the Fund’s portfolio. Although the Investment Management Agreement shall continue until terminated, the Investment Manager or the Fund may terminate the Investment Management Agreement by giving the other party no fewer than ninety (90) days’ written notice.

The Investment Management Agreement recognizes that the Investment Manager and its affiliates are associated with other investment entities and may engage in investment management services for others, including themselves. Except to the extent necessary to perform its obligations under the Investment Management Agreement, the Investment Manager and its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or rendering services of any kind to any other corporation, firm, individual or association.

Under the Investment Management Agreement, the Fund will indemnify the Investment Manager and its affiliates (each, an “IM Indemnified Party”) against any and all liabilities, damages, losses, costs and expenses suffered, incurred or sustained by such IM Indemnified Party by reason of the fact that it was an IM Indemnified Party, including, without limitation, any judgment, settlement, reasonable attorneys’ fees and other costs and expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage, loss, cost or expense resulted from a mistake of judgment on the part of an IM Indemnified Party, including, but not limited to, the selection and termination of any Sub-Advisor, or from action or inaction that said IM Indemnified Party reasonably believed to be in the best interests of the Fund or did not constitute gross negligence, willful misconduct or bad faith. The Fund shall, in the discretion of the General Partner, advance to any IM Indemnified Party reasonable attorneys’ fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. If such an advance is made by the Fund, the IM Indemnified Party shall agree to reimburse the Fund to the extent that it is finally determined that it was not entitled to indemnification.

**Sub-Advisory Agreements.** The Investment Manager may delegate authority pursuant to the Sub-Advisory Agreements to delegate certain investment management decisions to the Sub-Advisors. Pursuant to the Sub-Advisory Agreements, the Sub-Advisors will provide investment advisory services to the Fund under the ultimate supervision of the Investment Manager and in accordance with the objectives and policies of the Fund as set forth in the Memorandum.

The Sub-Advisory Agreements recognize that the respective Sub-Advisor and its affiliate for which such Sub-Advisory Agreement relates are associated with other investment entities and may engage in investment management services for others, including themselves. Except to the extent necessary to perform its obligations under the Sub-Advisory Agreement, each Sub-Advisor and its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or rendering services of any kind to any other corporation, firm, individual or association.

Under a Sub-Advisory Agreement, the Fund will indemnify the Sub-Advisor and its affiliates (each, an “Sub-Advisor Indemnified Party”) against any and all liabilities, damages, losses, costs and expenses suffered, incurred or sustained by such Sub-Advisor Indemnified Party by reason of the fact that it was a Sub-Advisor Indemnified Party, including, without limitation, any judgment, settlement, reasonable attorneys’ fees and other costs and expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage, loss, cost or expense resulted from a mistake of judgment on the part of a Sub-Advisor Indemnified Party, or from action or inaction that said Sub-Advisor Indemnified Party reasonably believed to be in the best interests of the Fund or did not constitute gross negligence, willful misconduct or bad faith. The Fund shall, in the discretion of the General Partner, advance to any Sub-Advisor Indemnified Party reasonable attorneys’ fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. If such an advance is made by the Fund, the Sub-Advisor Indemnified Party shall agree to reimburse the Fund to the extent that it is finally determined that it was not entitled to indemnification.

## **MANAGEMENT FEE; EXPENSES**

Management Fee

The Investment Manager and/or any Sub-Advisor engaged by the Investment Manager with respect to the management of all or any portion of the Fund’s portfolio (including any particular Class or Class Portfolio), as applicable, will receive a monthly Management Fee calculated and accrued daily based on each relevant Limited Partner’s Management Fee Base.

Management Fees will be calculated monthly but will be paid daily based on the value of each Limited Partner’s Management Fee Base as of the beginning of the first day of each month. A Limited Partner’s “Management Fee Base” for any calendar month means such Limited Partner’s Capital Account balance as of the first day of such calendar month (or such Limited Partner’s initial Capital Account balance if such Limited Partner makes a Capital Contribution at any time other than at the beginning of a calendar month) accounting for any additional subscriptions, withdrawals, and changes in the Fund’s net asset value as of the first day of each month.

The Management Fee for each Class of Interests may be calculated differently.

OUSG Limited Partners will be subject to a Management Fee calculated at an annual rate of 0.15% (0.0125% per month) and paid daily (calculated *pro rata* for the month) being based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OUSG Capital Account, as of the first day of each calendar month.

OSTB Limited Partners will be subject to a Management Fee calculated at an annual rate of 0.15% (0.0125% per month) and paid daily (calculated *pro rata* for the month) being based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OSTB Capital Account, as of the first day of each calendar month.

OHYG Limited Partners will be subject to a Management Fee calculated at an annual rate of 0.15% (0.0125% per month) and paid daily (calculated *pro rata* for the month) being based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OHYG Capital Account, as of the first day of each calendar month.

The Investment Manager and/or the Sub-Advisor, as applicable, may elect to reduce, otherwise modify, or waive the Management Fee with respect to any relevant Limited Partner, including allowing the Management Fee to accrue without being actually paid as indicated above. If a Limited Partner makes a Capital Contribution at any time other than at the beginning of a calendar month, a pro rata portion of the Management Fee will be paid to the Investment Manager and/or Sub-Advisor, as applicable, (based on the actual number of days remaining in such partial month).

For purposes of illustration only, if a OUSG Limited Partner makes a Capital Contribution of $100 on the first day of March, such Limited Partner’s Management Fee Base for March shall equal to $100, accounting for additional subscriptions, withdrawals, and/or changes in the Fund’s net asset value as of the first day of March. The Limited Partner will be subject to a daily Management Fee calculated at a monthly rate of 0.0125% and calculated pro rata for the month (approximately 0.00040323% per day) based on such Limited Partner’s Management Fee Base with respect to such Limited Partner’s OUSG Capital Account.

Expenses

**Fund.** The Fund bears and shall be responsible for its own expenses, including, but not limited to: (i) Management Fees; (ii) all general investment expenses (i.e., exchange commissions and expenses, brokerage commissions, research expenses, data processing costs and expenses, bank service fees, interest expenses, borrowing charges, custodial expenses, outsourced risk management advisory and software, investment-related consultants, brokers or other professionals or advisors, including any Sub-Advisors, who provide advice or due diligence services with regard to Investments, and travel costs that are research-related and other investment expenses); (iii) expenses incurred in connection with the tokenization of the Interests including the creation and distribution of the Token Units; (iv) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance, and consulting costs and expenses; (v) all fees, costs and expenses related to middle office operations which may include daily reconciliation of cash, cost, positions, and valuations; (vi) fees, costs, and expenses of third-party service providers that provide such services; (vii) costs and expenses associated with preparing investor communications, printing, and mailing costs; (viii) insurance costs and expenses (e.g., for the assets of the Fund, D&O, E&O); (iv) marketing and syndication expenses; (x) taxes and other governmental charges; (xi) governmental licensing, filing, and exemption fees (including Blue Sky filing fees); (xii) indemnification obligations; (xiii) all judgments, settlements, fines, and expenses (including reasonable attorneys’ fees) incurred in connection with any actual, anticipated, or threatened litigation or governmental inquiry, investigation, or proceeding, including any examination, audit, request for information, subpoena, or any similar request or requirement from the IRS, the SEC, or any other local, state, federal, or foreign authority; and (xiv) any extraordinary expenses.

**General Partner and the Investment Manager.** The General Partner, the Investment Manager, and any Sub-Advisor bears their own expenses, including office space and utilities, computer equipment and software (not otherwise paid by the Fund) and secretarial, clerical, employee related and other personnel, except as assumed by the Fund.

**Organizational Expenses.** Organizational Expenses will be paid by the General Partner.

## **ALLOCATION OF NET INCOME AND NET LOSSES; PERFORMANCE ALLOCATION**

**Allocation of Net Income and Net Losses.** Net Income and Net Loss for each Fiscal Period shall be allocated to the Capital Accounts of the Partners (including the General Partner) in proportion to their respective Capital Account balances as of the first day of such Fiscal Period. Net Income and Net Loss of the Fund will be determined as provided for in the Partnership Agreement and will be deemed to include net unrealized gains or losses on investment positions as of the end of each Fiscal Period.

**Performance Allocation**. Limited Partners shall not be subject to any performance-based fee or allocation paid to the General Partner.

**Prior Fiscal Period Items.** In general, and notwithstanding any of the allocation rules discussed above, if the Fund has a material item of gain or loss in any fiscal period which relates to a matter or transaction occurring during a prior fiscal period (e.g., if the Fund wins a cash settlement in a case it began in a prior year) the item of gain or loss may, in the sole discretion of the General Partner, be shared among the Partners (including persons who have ceased to be Partners) in accordance with their Interest in the Fund during the prior period. A person who has ceased to be a Partner will be liable for its proportionate share of prior fiscal period items and will pay such share on demand but the amount to be paid will not exceed the amount of such Partner’s Capital Account at the time such prior fiscal period item arose.

## **RISK FACTORS**

No guarantee or representation is made that the Fund will achieve its investment objective. Investment in the Fund involves significant risks and conflicts of interest, including, but not limited to, the risks and conflicts of interest set forth below. The risks set out below do not purport to be exhaustive. Additional risks and uncertainties that are currently unknown or currently deemed immaterial may become material factors that affect the Fund. Prospective investors should carefully consider the risks involved in an investment in the Fund, including but not limited to those discussed below. Prospective investors should consult their own legal, tax and financial advisers as to all these risks and as to an investment in the Fund generally.

General Risk Factors

**Limited Operating History.** The Fund has limited operating history and therefore may not be able to operate its business, implement its investment strategy, or generate sufficient revenue to make or sustain distributions to investors. Failure to procure adequate funding and capital could adversely affect the Fund’s ability to grow and/or expand its business, which can negatively impact its performance. In addition, the past investment performance of the Fund or other entities or accounts managed by the General Partner, the Investment Manager, any Sub-Advisor, or any of their respective employees or affiliates may not be indicative of the future performance of the Fund.

**Start-Up Periods.** The Fund may encounter start-up periods during which it will incur certain risks relating to the initial investment of newly contributed assets. Moreover, the start-up periods also represent a special risk in that the level of diversification of the Fund’s portfolio may be lower than in a fully invested portfolio.

**Reliance on the Investment Manager and Sub-Advisor and no Authority by Limited Partners.** The success of the Fund depends on the ability of the Investment Manager and each engaged Sub-Advisor to develop and implement investment strategies to achieve the Fund’s investment objectives. Although the Investment Manager and/or Sub-Advisor may impose limits on the types of positions the Fund may take, or the concentration of its investments, the Partnership Agreement imposes no such limits. Limited Partners will have no right or power to take part in the management of the Fund. The Fund’s investment performance could be materially adversely affected if any members of the investment team were to die, become ill or disabled, or otherwise cease to be involved in the active management of the business of the Fund’s portfolio.

**Dependence on Key Personnel.** The General Partner and the Investment Manager are dependent on the services of their respective principals and key personnel, including Nathan Allman and Justin Schmidt. The success of the Fund may depend to a great extent on the investment skills of the General Partner’s and the Investment Manager’s principals and key personnel. There can be no assurance that Nathan Allman, Justin Schmidt, or any other principals or key personnel will continue to be associated with the General Partner, the Investment Manager, and their respective affiliates. The Fund may be adversely affected if, because of illness, resignation, or other factors, the services of the relevant people were not available for any significant period of time.

**Undisclosed Investing Strategy.** The Investment Manager’s and Sub-Advisors’ investment strategy and the techniques they will employ to attempt to reach the Fund’s goal are proprietary and are not required to be disclosed to potential investors (or to Limited Partners). As a result, a potential investor’s decision to invest in the Fund must be made without the benefit of being able to review and analyze the Investment Manager’s and Sub-Advisor’s strategy and techniques.

**Undisclosed Positions.** In an effort to protect the confidentiality of its positions and its strategies, the Investment Manager and Sub-Advisors generally will not disclose the Fund’s positions to Limited Partners on an ongoing basis. The Investment Manager, in its sole discretion, may from time to time permit such disclosure to certain Limited Partners.

**Changes in Investment Strategies.** The Investment Manager has broad discretion to expand, revise or contract the Fund’s business without the consent of the Limited Partners. The Fund’s investment strategies may be altered, without prior approval by, or notice to, the Limited Partners, if the Investment Manager, in consultation with the General Partner, determines that such change is in the best interest of the Fund.

**Operating Deficits.** The expenses of operating the Fund (including Management Fees payable to the Sub-Advisors) could exceed its income. This would require that the difference be paid out of the Fund’s capital, reducing the amount of capital available to the Fund for investment and the Fund’s potential for profitability.

**Business and Regulatory Risks of Hedge Funds.** Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

**Enhanced Scrutiny and Potential Regulation of Private Investment Funds.** There has been enhanced governmental scrutiny and/or increased regulation of the private investment fund and financial services industries in general. Future legislation may have an adverse effect on the private investment fund industry generally and/or on the Fund, specifically. In addition, regulatory agencies in the U.S., Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private investment fund industry, or other changes that could adversely affect private investment firms and the funds they sponsor, including the Fund. Additional governmental scrutiny may reduce the availability of the Fund’s investment opportunities and may increase the Fund’s, the Investment Manager’s and the General Partner’s exposure to potential liabilities and to legal, compliance and other related costs. Such increased regulation and scrutiny could have a material and adverse effect on the Fund.

**Legality of Digital Assets.** While the Fund does not intend to trade Digital Assets, its Limited Partnership Interests may be tokenized in the form of Digital Assets. It may be illegal, now or in the future, to own, hold, sell, or use Digital Assets in one or more jurisdictions, including the United States and/or any state thereof. Although currently Digital Assets are not regulated or are lightly regulated in most jurisdictions, including the United States and its states, one or more jurisdictions may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell, or use Digital Assets. Such an action may restrict Limited Partners’ ability to hold or utilize Token Units, and could result in termination and liquidation of the Fund at a time that is disadvantageous to Limited Partners, or may adversely affect an investment in the Fund.

**Current and Future Digital Asset Legislation, Regulation and Enforcement.** Current and future legislation, CFTC, SEC, and Financial Crimes Enforcement Network (FinCEN) rulemaking and other U.S. federal, state or foreign regulatory developments, including, without limitation, U.S. state securities regulations, U.S. state money transmitter regulations and similar regulations such as the New York “BitLicense” (23 NYCRR Part 200 under the New York Financial Services Law), as well as developments in the enforcement of current and future laws, rules or regulations, may impact the manner in which Digital Assets are regulated or otherwise treated. As of the date of this Memorandum, the General Partner is not aware of any rules that have been proposed to specifically regulate Digital Assets as commodities or securities. The SEC has issued multiple releases stating that, depending on the specific facts and circumstances of the Digital Asset in question, some Digital Assets may fall under securities regulation. Additionally, although the CFTC has declared that Digital Assets are commodities, currently, only certain kinds of Digital Asset transactions that are entered into, or offered, on a leveraged or margined basis, or financed by the offeror, may be subject to CFTC regulation. The General Partner cannot be certain as to how future legislative, regulatory or enforcement developments will impact the treatment of Digital Assets, including Token Units, under the law.

To the extent that Digital Assets, including Token Units, are deemed to fall within the scope of CFTC regulation or regulation by any similar U.S. state or foreign governmental authorities pursuant to subsequent legislation, subsequent rulemaking by the CFTC or such other governmental authorities, or novel enforcement of existing laws, rules or regulations by the CFTC or such other governmental authorities, the General Partner, the Investment Manager, and/or the Fund may be required to register and/or comply with additional regulation under the Commodity Exchange Act or other applicable U.S. federal, U.S. state or foreign laws, rules or regulations. Moreover, the General Partner and Investment Manager may be subject to further requirements with the CFTC or other governmental authorities. Such additional registrations, regulations or disclosures may result in extraordinary, non-recurring expenses of the Fund. If the General Partner and Investment Manager determine not to comply with such additional requirements, the Fund, where necessary, may terminate and liquidate at a time that may be disadvantageous to investors.

To the extent that Digital Assets, including the Token Units, are deemed to fall further within the scope of SEC regulation or regulation by any similar U.S. state or foreign governmental authorities pursuant to subsequent legislation, subsequent rulemaking by the SEC or such other governmental authority, or novel enforcement of existing laws, rules or regulations by the SEC or such other governmental authorities, the General Partner, the Investment Manager, and/or the Fund may be required to register and/or comply with additional regulation under the Securities Act, the Investment Company Act or other applicable U.S. federal, U.S. state or foreign laws, rules or regulations. Moreover, the General Partner and Investment Manager may be subject to further requirements with the SEC or other governmental authorities. Such additional registrations, regulations or disclosures may result in extraordinary, non-recurring expenses of the Fund. If the General Partner and Investment Manager determine not to comply with such additional regulatory and registration requirements, the Fund, where necessary, may terminate and liquidate at a time that may be disadvantageous to investors.

To the extent that Digital Assets, including Token Units, are deemed to fall within the scope of FinCEN regulation, U.S. state money transmitter regulation, or regulation by any similar U.S. state or foreign governmental authorities (including, without limitation, the New York “BitLicense”) pursuant to subsequent legislation, subsequent rulemaking by FinCEN, U.S. state money transmitter regulators or such other governmental authorities, or novel enforcement of existing laws, rules or regulations by FinCEN, U.S. state money transmitter regulators or such other governmental authorities, the General Partner, the Investment Manager, and/or the Fund may be required to register and/or comply with additional regulation under the Bank Secrecy Act or other applicable U.S. federal, U.S. state or foreign laws, rules or regulations. Moreover, the General Partner and Investment Manager may be subject to further requirements with FinCEN, U.S. state money transmitter regulators or other governmental authorities. Such additional registrations, regulations or disclosures may result in extraordinary, non-recurring expenses of the Fund. If the General Partner and Investment Manager determine not to comply with such additional requirements, the Fund, where necessary, may terminate and liquidate at a time that may be disadvantageous to investors.

Digital Assets currently face an uncertain regulatory landscape in not only the United States and its states but also in many foreign jurisdictions such as the European Union and its member states, the United Kingdom, China, and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect Digital Asset networks and their users, particularly Digital Asset exchanges and service providers that fall within such jurisdictions’ regulatory scope. Such laws, regulations or directives may conflict with those of the United States or of any of its states and may negatively impact the acceptance of Digital Assets by users, merchants, and service providers outside of the United States and may therefore impede the growth of the Digital Asset economy.

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

**Availability of Banking Services**. The Fund and other entities that hold, trade in, or otherwise engage in transactions involving Digital Assets may at any time lose access to fiat banking services from one or more financial institutions, whether as a result of those financial institutions voluntarily ceasing to serve entities engaged in activities related to Digital Assets or regulatory changes that prohibit or limit such financial institutions’ ability to provide services to such entities. The inability to obtain, maintain, and use such banking services may limit the Fund’s ability to make distributions to Limited Partners in fiat currency, to timely pay its service providers and other expenses, or to complete a timely and orderly liquidation of the Fund, any of which may have a material and adverse impact on the Fund.

**No FDIC or SIPC Protection.** Token Units held by the Limited Partners are not subject to Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) protections. The Fund is not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, the Token Units are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. While private insurance may be available at times, the Token Units representing Limited Partnership Interests in the Fund are not insured.

**Assignment of Advisory Contracts.** Federal and state laws applicable to investment advisers (including, without limitation, the Investment Advisers Act and rules promulgated thereunder) may impose limitations on the Investment Manager’s ability to assign certain of its rights and obligations under the Investment Management Agreement. Normally, such limitations would permit the Investment Manager to engage in transactions that do not involve a change of control of the Investment Manager without consent of the Limited Partners. However, to the extent that an assignment does involve a change of control, the Investment Manager will be required to seek consent of the Limited Partners before the transaction will be consummated. To the extent that the consent of Limited Partners is required for a particular assignment, such consent may be withheld to a transaction that would, in the view of the Investment Manager benefit the Fund and/or the Limited Partners. Generally, these laws do not require a minimum length of time for notices or deadlines to provide or withhold consent. The Investment Manager may establish reasonable notice periods and deadlines in their sole discretion. The Investment Manager may seek Limited Partner consent via electronic means and/or negative consent.

**Cybersecurity Risk.** As part of their business, the General Partner and 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 Limited Partners. Similarly, service providers of the General Partner, the Investment Manager or the Fund, especially the Administrator and the Sub-Advisors, may process, store and transmit such information. The General Partner and the Investment Manager have procedures and systems in place 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 General Partner or the Investment Manager may be susceptible to compromise, leading to a breach of the General Partner’s or Investment Manager’s network. The General Partner’s and the Investment Manager’s systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of the General Partner’s or the Investment Manager’s information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used, or disclosed.

The service providers of the General Partner, the Investment Manager and the Fund are subject to the same electronic information security threats as the General Partner and the Investment Manager. If a service provider fails 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 Limited Partners may be lost or improperly accessed, used, or disclosed.

The loss or improper access, use, or disclosure of the General Partner’s, the Investment Manager’s or the Fund’s proprietary information may cause the General Partner, 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.

**Force Majeure.**  The Fund’s investments may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including the Fund or a counterparty to the Fund) to perform its obligations until it is able to remedy the force majeure event and/or prompt precautionary government-imposed closures of certain travel and business. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the Fund’s returns, cause personal injury or loss of life, disrupt global markets, damage property, or instigate disruptions of service. In addition, the cost to the Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on the Fund’s expected returns. Certain force majeure events (such as war, terrorism, or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest and the markets the Fund may trade specifically. Military action or governmental sanctions prompted by certain force majeure events may further impact general economic conditions and market liquidity internationally or in the specific markets the Fund invests. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over industry assets, could result in losses to the Fund, including if its investments are canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

Investment and Trading Risks

**General Investment and Trading Risks.** An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Fund’s program will be successful. The Fund’s investment program may utilize investment techniques, the use of which can, in certain circumstances, maximize the adverse impact to which the Fund may be subject.

**Short Selling.** Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales depends upon the Investment Manager’s and the Sub-Advisors’ investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Bonds and Other Fixed Income Securities**. The Fund may invest in bonds and other fixed income securities, both U.S. and non-U.S., and may take short positions in these securities. The Fund will invest in these securities when they offer opportunities for capital appreciation (or capital depreciation in the case of short positions) and may also invest in these securities for temporary defensive purposes and to maintain liquidity. Fixed income securities include, among other securities: bonds, notes and debentures issued by U.S. and non-U.S. corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities (“U.S. Government securities”) or by a non-U.S. government; municipal securities; and mortgage-backed and asset backed securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

The Fund may invest in both investment grade and non-investment grade debt securities (commonly referred to as junk bonds). Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher-grade debt securities. An economic downturn affecting an issuer of non-investment grade debt securities may result in an increased incidence of default. In addition, the market for lower grade debt securities may be thinner and less active than for higher-grade debt securities.

**Fixed-Income Securities.** The Fund may invest in bonds or other fixed-income securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities. The value of fixed-income securities (including sovereign debt instruments) in which the Fund will invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed-income instruments may fluctuate in response to changes in the economic environment that may affect future cash flows. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline. The longer a debt security’s duration, the more sensitive such debt security is to this risk.

**U.S. Government Securities Risk.** Certain U.S. government securities, such as U.S. Treasury bills, notes, bonds, and mortgage-related securities guaranteed by the Government National Mortgage Association (“GNMA”), are supported by the full faith and credit of the United States; others, such as those of the Federal Home Loan Banks (“FHLBs”) or the Federal Home Loan Mortgage Corporation (“FHLMC”), are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the Federal National Mortgage Association (“FNMA”), are supported by the discretionary authority of the U.S. government to purchase the agency’s obligations; and still others are supported only by the credit of the agency, instrumentality or corporation. Although legislation has been enacted to support certain government sponsored entities, including the FHLBs, FHLMC and FNMA, there is no assurance that the obligations of such entities will be satisfied in full, or that such obligations will not decrease in value or default. It is difficult, if not impossible, to predict the future political, regulatory or economic changes that could impact the government sponsored entities and the values of their related securities or obligations. In addition, certain governmental entities, including FNMA and FHLMC, have been subject to regulatory scrutiny regarding their accounting policies and practices and other concerns that may result in legislation, changes in regulatory oversight and/or other consequences that could adversely affect the credit quality, availability or investment character of securities issued by these entities. Yields available from U.S. government debt securities are generally lower than the yields available from other debt securities. The values of U.S. government securities change as interest rates fluctuate.

**Convertible Securities.** Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Fund’s ability to achieve its investment objective.

**Debt and Other Income Securities.** The Fund may invest in fixed-income and adjustable rate securities. Income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security’s value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Because of the resetting of interest rates, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. Market risk relates to the changes in the risk or perceived risk of an issuer, industry, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities. Income securities denominated in non-U.S. currencies are also subject to the risk of a decline in the value of the denominating currency relative to the U.S. dollar.

**High-Yield Securities**. The Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. (The Fund is not required to hedge, and may choose not to do so.) High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities. Other major risks of high-yield securities investments may include:

* Prices of high yield securities are subject to extreme price fluctuations. Adverse changes in an issuer’s industry and general economic conditions may have a greater impact on the prices of high yield securities than on other higher rated fixed-income securities. The credit rating of a high yield security does not necessarily address its market value risk. Ratings and market value may change from time to time, positively or negatively, to reflect new developments regarding the issuer.
* High yield securities frequently have redemption features that permit an issuer to  
  repurchase the security from the Fund before it matures. If the issuer redeems high yield securities held by the Fund, the Fund may have to invest the proceeds in bonds with lower yields and may lose income.
* High yield securities may be less liquid than higher rated fixed-income securities, even under normal economic conditions. There are fewer dealers in the high yield securities market, and there may be significant differences in the prices quoted for high yield securities by the dealers. Because high yield securities may be less liquid than higher rated fixed-income securities, judgment may play a greater role in valuing certain of the Fund’s securities than is the case with securities trading in a more liquid market.
* The Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer.

**Investments in Undervalued Securities.** The Investment Manager and the Sub-Advisors may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund’s investments may not adequately compensate for the business and financial risks assumed. In addition, the Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund’s capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

**Options and Bond Volatility.** The Fund may buy or sell options and convertible bonds. Changes in option and convertible bond volatility are extremely difficult to predict. If the Fund is short options or convertible bonds and the volatility increases, or if the Fund is long options or convertible bonds and volatility declines, the Fund could be affected materially and adversely.

**Risks of Investments in Options.** Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires.

The Fund may buy or sell (write) both call options and put options, and when it writes options, it may do so on a “covered” or “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Fund’s option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the Fund may enter into, the principal risks involved in options trading can be described as follows: When the Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of their investment in the option (including commissions). The Fund could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities underlying put options.

When the Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, as the Fund intends, the Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Fund might suffer as a result of owning the security. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

**Equity Securities.** The value of the equity securities held by the Fund are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market’s perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.

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

**Exchange-Traded Funds.** The Fund may invest in ETFs, which are a type of index fund bought and sold on a securities exchange. The risks of owning ETF shares generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile. Investors in ETFs bear a proportionate share of the expenses of those ETFs, including management fees, custodial and accounting costs, brokerage commissions, and other transaction costs. ETFs are also subject to other risks, including the risk that their prices may not correlate perfectly with changes in the underlying index and the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

**Money Market Funds and Interest Rate Risk.** The Fund may invest in money market funds (including TFDXX), a type of pool investment vehicle that generally invest in short-term debt, cash, or cash equivalent securities. The risks of owning money market fund share generally reflect the risks of owning the underlying securities within such money market fund’s investment portfolio. In general, the market price of debt securities with longer maturities is more sensitive to changes in interest rates than the market price of shorter-term securities. Due to fluctuations in interest rates, the market value of such securities may vary during the period of the Fund’s investments in a money market fund. During periods of very low or negative interest rates, the underlying money market fund may be unable to maintain positive returns or pay dividends to the Fund, thus adversely affecting the performance of the Fund’s portfolio.

**Digital Assets.** Digital Assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital Asset exchanges have been closed due to fraud, failure, or security breaches. Any of the Fund’s funds that reside on an exchange that shuts down may be lost.

Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors’ expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will grow.

Digital Assets are created, issued, transmitted, and stored according to protocols run by computers in the Digital Asset network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by the Fund. There may also be network scale attacks against these protocols which result in the loss of some or all of assets held by the Fund. Some assets held by the fund may be created, issued, or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by the fund. The Fund makes no guarantees about the reliability of the cryptography used to create, issue, or transmit assets held by the Fund.

**Stablecoin Specific Risks.** Stablecoins are distinct from other Digital Assets in that their value is intended to be pegged to fiat currency like USD (e.g., 1 stablecoin is intended to represent $1 USD) and backed by an underlying asset, such as fiat currency like USD, commodities, or other Digital Assets. Stablecoins are subject to the same risks as other Digital Assets described in these risk factors, but are also subject to unique risks. While stablecoins are intended to be less volatile than other Digital Assets, they are inherently subject to the volatility of the underlying assets to which they are pegged. Stablecoins come in various forms, each with their own unique set of risks.

* Fiat-based stablecoins are centralized, which exposes the holder of such stablecoins to counterparty risk, including but not limited to, a centralized entity that issues the applicable stablecoin and manages the fiat conversion. Specifically, fiat-based stablecoins require the holder of such stablecoins to rely on the issuer to have sufficient reserve to back up all of the issued stablecoins. For example, USDT issued by Tether is subject to controversy due to the lack of transparency and claims that Tether does not hold sufficient USD reserves to back all of the issued USDT tokens, which resulted in a significant drop in value of USDT October 2018. The financial institution in which a stablecoin issuer holds its USD reserves may become insolvent, which may result in a significant drop in the value of the stablecoin. Further, fiat-based stablecoins are subject to greater oversight and regulation, and will be further dependent on the banking industry and other geopolitical factors, all of which could affect the value of such stablecoins.
* Algorithmic stablecoins rely on another Digital Asset to support the aforementioned stablecoin with an algorithm or smart contract governing the relationship between the two assets. Such stablecoins utilize the smart contract to maintain their peg, typically to USD. Destabilization of the Digital Asset on which an algorithmic stablecoin relies can lead to a complete collapse in the value of the stablecoin. For example, in May of 2022, TerraUSD (or UST, for short), an algorithmic stablecoin created and administered by Terraform Labs, collapsed after attacker(s) flooded the Digital Asset market with UST putting downward pressure on the price of UST and investors, sensing negative sentiment, further withdrew UST compounding the loss of UST’s peg to USD.
* Digital Asset backed stablecoins rely on various forms of collateralized Digital Assets, to allow for such stablecoin to maintain their value. Digital currency backed stablecoins are inherently more volatile than stablecoins backed by fiat or commodities given the volatility of the underlying Digital Assets. Even though overcollateralization (sometimes to the extent of 170% or greater) of Digital Assets is generally required, there is no guarantee such collateral will be sufficient for a stablecoin to maintain its value. The collateral backing Digital Asset based stablecoins is held in smart contracts and the underlying Digital Asset can be immediately liquidated if the value of such Digital Asset falls below a certain threshold. For example, DAI, a stablecoin launched on the Ethereum blockchain was overcollateralized at a ratio of 141% as of August 2022 via its “vault” smart contract. The greater the value of the collateral, the more such Digital Assets would need to fall in value before such stablecoins lose their peg. If the underlying digital currency loses too much value, the system may become under-collateralized and there is potential the stablecoin will quickly lose its peg and all value. In addition, there is a risk that the underlying Digital Asset held as collateral is not adopted or no longer accepted on other platforms, implicitly lowering the value of such collateral, and increasing the risk such Digital Asset backed stablecoin loses its value.
* Stablecoins promoted or supported by entities other than the central bank of a particular country may face competition from stablecoins issued as legal tender by the central banks of various countries. Central bank digital currencies (“CBDCs”) may or may not incorporate blockchain or similar technologies, but may have advantages as a medium of exchange or store of value depending on the level of confidence in the issuing central bank. Financial institutions may also be incentivized to support CBDCs over other kinds of stablecoins depending on the regulatory environment in the countries having jurisdiction over such financial institutions. If one or more CBDCs gains significant market share among stablecoins in use at any given time, the value of non-CBDC stablecoins may be materially and adversely affected.

**Risks of Buying or Selling Digital Assets.** The Fund will take on credit risk every time it purchases or sells digital currency or Digital Assets, and its contractual rights with respect to such transactions may be limited. Although the Fund’s transfers of Digital Assets or cash 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 Digital Assets 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 Digital Assets or cash (through error or theft), the Fund will be unable to recover incorrectly transferred Digital Assets or cash, and such losses will negatively impact the Fund.

**Third Party Wallet Providers.** The Fund may use third party wallet providers to hold a portion of the Fund’s Digital Assets. The Fund may have a high concentration of its Digital Assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. The Fund is not required to maintain a minimum number of wallet providers to hold the Fund’s Digital Assets. The Fund may not do 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 Digital Assets. Digital Assets held by third parties could be transferred into “cold storage” or “deep storage,” in which case there could be a delay in retrieving such Digital Assets. The Fund may also incur costs related to third party storage. Any security breach, incurred cost, or loss of Digital Assets associated with the use of a third-party wallet provider may adversely affect an investment in the Fund.

**Bankruptcy of Third Party Wallet Providers, Custodians, and Exchanges.** The Fund may hold Digital Assets with one or more third party wallet providers, custodians, and/or exchanges (each, a “Third Party Custodian”). There is a risk that a bankruptcy court would deem Digital Assets held with a Third Party Custodian to be the property of the bankruptcy estate in the event of a Third Party Custodian’s bankruptcy. In that case, the Fund could be treated as a general unsecured creditor of the Third Party Custodian, which means the Fund would not have a claim to its specific Digital Assets held with the Third Party Custodian, and could only recover the value of its Digital Assets to the extent there are funds remaining after more senior and secured creditors’ claims have been satisfied. Moreover, the value of such Digital Assets may fluctuate (up or down) after the filing of the bankruptcy petition and the Fund’s claim may not receive the benefit of such higher valuation or could be reduced in the case of a lower valuation. In such an event, the Fund may be unable to recover the full value of its Digital Assets held at the Third Party Custodian, which could result in significant losses.

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

**Risk of Loss Due to Incapacitation of Key Personnel.** The Investment Manager’s key personnel may be the sole individuals in possession of the unique private keys required to access the Digital Assets held by the Fund. The incapacitation of the Investment Manager’s key personnel would likely result in the loss of the private keys and, consequently, the loss of the Digital Assets held by the Fund. In such an event, a Limited Partner could incur substantial, or even total, loss of capital.

**Risk of Loss Due to Failure of Custodial Systems.**  The Investment Manager utilizes a proprietary self-custody system for custody of the Fund’s assets that seeks to mitigate risk from any single malicious individual or security threat, however there are a variety of risks that could lead to a system failure, resulting in the loss of the Fund’s Digital Assets. Any hardware, including physical backups used by the Investment Manager to store the Fund’s Digital Assets, could fail or become unusable. The incapacitation or coercion of any privileged team members of the Investment Manager who have access to the cryptographic keys required to access some or all of the Digital Assets held by the Fund could result in the loss of the private keys and consequently, the loss of the Digital Assets held by the Fund. The system is also vulnerable to a malicious insider sabotaging the system or sophisticated malware and cryptographic errors or attacks, which could lead to a loss of funds. Additionally, while funds are being transferred from the applicable custody system, protocol, application, or user errors could additionally lead to incorrect sends that cause funds to be irrecoverably lost. In any of the events described above, a Limited Partner could incur substantial, or even total, loss of capital.

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

**Trading on Digital Asset Networks.** The Fund will convert U.S. dollar or stablecoin contributions made by limited partners to Digital Assets over specific networks, as applicable. The Fund may use certain Digital Assets to purchase other Digital Assets. Many Digital Asset networks are online end-user-to-end-user networks that host a public transaction ledger, known as the blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many Digital Asset transactions, the recipient of the Digital Asset must provide its public key, which serves as an address for a digital wallet, to the party initiating the transfer. In the data packets distributed from Digital Asset software programs to confirm transaction activity, each Digital Asset user must “sign” transactions with a data code derived from entering the private key into a “hashing algorithm,” which signature serves as validation that the transaction has been authorized by the owner of such Digital Asset. This process is vulnerable to hacking and malware, and could lead to theft of the Fund’s digital wallets and the loss of the Fund’s Digital Assets. Many Digital Asset exchanges have been closed due to fraud, failure, or security breaches. In many of these instances, the customers of such Digital Asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such Digital Asset exchange.

**Amendments to a Digital Asset Network’s Protocols and Software Could Adversely Affect the Fund’s Investment and Trading Activities.** Digital Asset networks (collectively, “Networks”) are typically based on protocols that govern peer-to-peer interactions between computers connected to a Network. Generally, the code that sets forth a Digital Asset’s protocol is informally managed by a development team known as the core developers. A Digital Asset’s core developers, miners, and/or users (each such core group in respect of a particular Digital Asset, the “Community”) can propose amendments to a Network’s source code through one or more software upgrades that alter such Digital Asset’s protocols, the software that govern its Network and the properties of the Digital Asset itself, including, but not limited to, the irreversibility of transactions and limitations on the mining/creation of new Digital Asset units. To the extent that a majority of a Community installs such software upgrade(s), such Digital Asset’s Network could be subject to new protocols and software that may adversely affect the Fund’s investment and trading activities. If less than a majority of a Community installs such software upgrade(s), such Digital Asset’s Network could “fork.”

Many Digital Assets are open source projects and, although there may be an influential group of leaders in a specific Community, there may be no official developers or group of developers that formally control the applicable Network. For many Digital Assets, any individual can download the applicable Network software and make any desired modifications, which are proposed to the relevant Digital Asset’s Community through software downloads and upgrades. However, the Community must usually consent to those software modifications by downloading the altered software or upgrade that implements the changes; otherwise, the changes do not become a part of that Network. A developer or group of developers could potentially propose a modification to a Network that is not accepted by the applicable Community, but that is nonetheless accepted by a substantial portion of such Community. In such a case, a “fork” in the blockchain could develop and two separate Networks could result, one running the pre-modification software program and the other running the modified version (i.e., a second such Network in respect of the same Digital Asset). Such a fork in the blockchain typically would be addressed by Community-led efforts to merge the forked blockchains. This kind of split in a Network could materially and adversely affect the value of Fund investments and, in the worst-case scenario, harm the sustainability of the applicable Digital Asset’s economy.

**Concentrated Ownership of Digital Assets**. Certain Digital Assets may have highly concentrated ownership, with certain wallets, or groups of wallets owned or controlled by a single or small group of persons, holding a majority or a substantial portion of a Digital Asset in circulation. In the event such person or persons determine to sell or otherwise dispose of such Digital Asset in a short period of time, the price for such Digital Asset could rapidly decline. If the Fund is holding such Digital Asset at such time, the value of the Fund’s holdings of such Digital Asset may be materially and adversely affected.

**Limitations on Scaling Digital Asset Networks.** Many Networks face difficulties scaling due to the inherent tradeoff between the security and scalability of public Networks. At present, decentralized Networks are generally considered to be more secure than centralized networks due to the lessened risk of manipulation or capture by a single or small group of intermediaries. However, decentralization may also limit the number of transactions that can be processed by a Network due to the capabilities and requirements of each node that participates in the verification of transactions on such Network.

**Digital Asset Transaction Costs and Settlement Times**. Transaction costs related to the purchase, sale, or exchange of Digital Assets can be significant depending on the Network, Digital Asset exchange, or other means used to engage in such transaction. Because Networks can only process a limited number of transactions simultaneously, the fees charged to process a specific transaction or the settlement time for such transaction may be significant. Such fees or delayed settlement times may limit the Fund’s ability to engage in subsequent transactions or to exit positions during periods of heightened volatility without incurring substantial fees or other transaction costs.

**Forks and Airdrops.** The blockchain code for a Digital Asset may be split, resulting in two different Digital Assets: one that is unaltered and a second, new Digital Asset whose code is based on but differs from the original Digital Asset’s code (a “Hard Fork”). Further, new Digital Assets may be distributed via “airdrops” to holders of certain existing Digital Assets (an “Airdrop”). New Digital Assets provided via a Hard Fork or Airdrop are provided involuntarily and without consideration. A Hard Fork or Airdrop may affect the value of the original Digital Asset. The Investment Manager, in its sole discretion, may elect to claim the new Digital Asset created as a result of a Hard Fork or Airdrop. Further, various exchanges, custodians, wallets, or other storage solutions may not accommodate such Hard Forks or Airdrops or may only accommodate such Hard Forks or Airdrops after a significant period of time. Additionally, the Investment Manager may not have any systems in place to monitor or participate in Hard Forks or Airdrops. Therefore, the Fund may not receive any new Digital Assets created as a result of a Hard Fork or Airdrop, thus losing any potential value from such Digital Assets.

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

**Computer Malware, Viruses, Bugs, Etc.** Computer malware, viruses, and computer hacking and phishing attacks have become more prevalent in the industries in which the Digital Assets operate, and may occur on such exchanges’ systems or technologies. Such software may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within such software may result in a negative experience for users and marketers who use Digital Asset products, delay product introductions or enhancements, or result in measurement or billing errors. Any errors, bugs, or defects discovered in software could result in damages, loss of users, loss of revenue, or liability for damages, any of which could adversely affect business and financial results, and could result in significant losses for the Fund.

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

**OTC Transactions.** The Fund will engage in transactions involving securities traded on over-the-counter (“OTC”) markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes the Fund to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Such risks are accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of OTC counterparties. Moreover, the Fund has no internal credit function that evaluates the creditworthiness of their OTC counterparties. Therefore, to the extent that the Fund engages in trading on OTC markets, the Fund could be exposed to greater risk of loss through default than if it confined its trading to regulated exchanges.

**Net Cash.** The Fund may hold a significant portion of its portfolio in cash and cash equivalents. This may result in the Fund’s investment results underperforming market indices, or a portfolio which is one hundred percent (100%) invested without any net cash holdings.

**Unidentified Investments; Competitive Market for Investments.** The Investment Manager and/or Sub-Advisors may be very selective when seeking investments. The business of identifying and structuring certain transactions is competitive (and may become more competitive in the future), and involves a high degree of uncertainty. There can be no assurance that the Investment Manager and/or Sub-Advisors will be able to locate and complete attractive investments or that it will be able to adhere to the investment strategy outlined herein. Furthermore, there can be no assurance that the Investment Manager and/or Sub-Advisors will be able to invest the entire amount of the Fund’s assets or that suitable investment opportunities will otherwise be identified. If the Investment Manager and/or Sub-Advisors are unable to identify adequate investments at any given time, a significant portion of the Fund’s assets may be held in cash or equivalents, which produce low rates of return.

**Brokerage Commissions/Transaction Costs.** During some periods, the Fund’s activities may involve a high level of trading, and the turnover of its portfolio may generate substantial transaction costs. These costs will be borne by the Fund regardless of its profitability.

**Qualified Custodians and the Custody Rule.** In 2003, the SEC amended Rule 206(4)-2 of the Investment Advisers Act (the “Custody Rule”), requiring investment advisers registered with the SEC to maintain custody of client funds and securities with “qualified custodians” (as defined under the Investment Advisers Act). Because the changes to the Custody Rule were implemented prior to the existence of Digital Assets, the Custody Rule (and the securities and commodities regulatory framework in general) did not contemplate or accommodate for the business and technological limitations of investments in the Digital Assets industry, which is still in a nascent stage. There are currently a limited number of qualified custodians in the Digital Assets space with limited capabilities with respect to the types and amounts of Digital Assets that they can maintain. In some cases, utilizing a Third Party Custodian may provide less security for the Fund’s assets than a cold storage or self-custody solution. Depending on the Fund’s investments, it may be difficult or impossible to fully comply with the qualified custodian requirement. Further, it remains unclear how or whether the Custody Rule applies to Digital Assets. The SEC has not issued any guidance about whether Digital Assets are considered “client funds or securities” under the Custody Rule and whether investment advisers are required to maintain custody of Digital Assets with qualified custodians in order to comply with the rule. In the event future guidance or regulations with respect to the Custody Rule extend to Digital Assets, the Fund may be adversely affected. The Investment Manager is not limited in any way in determining the appropriate custody solutions to safeguard the Fund’s investments, and retains the right to use any Third Party Custodian, including qualified custodians, in the future as firms and Digital Assets custody standards begin to evolve.

**Custody of Fund Assets.** The Investment Manager maintains custody of the Fund’s Digital Assets utilizing proprietary storage methods developed by the Investment Manager and its affiliates. A single type of Digital Asset held by the Fund may be custodied or secured in different ways and different types of Digital Assets may have different custody or security arrangements. The Investment Manager shall not be limited in any way from utilizing Digital Asset custody standards and practices that may exist in the future. The Investment Manager retains the right to use any Third Party Custodian in the future as firms and Digital Asset custody standards begin to develop. The systems and methodologies of the proprietary storage method utilized by the Fund may be subject to exposure from hacking, malware, and general security threats. The Investment Manager is not liable to the Fund or to Limited Partners for the failure or penetration of the security system absent fraud, willful misconduct, or gross negligence.

**Hedging Transactions.** The Investment Manager and the Sub-Advisors, on behalf of the Fund, will not, in general, attempt to hedge all or any market or other risks inherent in the Fund’s portfolio positions, and may hedge certain risks, if at all, only partially. The Fund may choose not, or may determine that it is economically unattractive, to hedge all or certain risks – either in respect of particular positions or in respect of its overall portfolio. The Fund’s portfolio composition will commonly result in various directional market risks remaining unhedged. Even if the Investment Manager and Sub-Advisors are successful in reducing or controlling risk through hedging, the cost of hedging may have the effect of reducing returns. Furthermore, it is possible that the Investment Manager’s and Sub-Advisors’ hedging strategies will not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged, increasing rather than reducing both risk and losses.

**Interest Rate Risk.** Interest rate risk is the risk that fixed income securities and other instruments in the Fund’s portfolio will decline in value because of a change in interest rates, which can be sudden and unpredictable. A variety of factors can cause interest rates or yields of U.S. Treasury securities or other types of bonds to rise (e.g., central bank monetary policies, inflation rates, general economic conditions). Signs of inflationary price movements may cause the fixed income securities markets to experience heightened levels of interest rate, volatility and liquidity risk. Rising interest rates may result in periods of volatility and a decline in value of the Fund’s fixed income investments.

**Limited Diversification.** The Partnership Agreement does not limit the amount of the Fund’s capital that may be committed to any single investment, industry, or sector. At any given time, it is therefore possible that the Sub-Advisors, in consultation with the Investment Manager, may select investments that are concentrated in a limited number or types of investments. This limited diversity could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Credit Risk**. The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities is unable or unwilling, or is perceived as unable or unwilling, to make timely principal and/or interest payments or to otherwise honor its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Measures such as average credit quality may not accurately reflect the true credit risk of the Fund. This is especially the case if the Fund consists of securities with widely varying credit ratings.

**Security Breaches.** Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could result in the halting of the Fund’s operations, the suspension of redemptions or a loss of Fund assets. While the Investment Manager and Sub-Advisors generally intend to use and rely on third party security systems maintained by the exchanges on which the Fund’s trades are effected, such security systems are not impenetrable and may not be free from defect, and any loss due to a security breach or software defect will not be borne by the Fund.

**Systems and Operational Risk.** The Fund’s investment strategy relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of account activities. In addition, certain of the Investment Manager’s and Sub-Advisors’ operations interface with or depend on systems operated by third parties, including its prime brokers and market counterparties and their sub-custodians and other service providers, and the Investment Manager and Sub-Advisors may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund’s portfolio.

**Counterparty Risk.** Some of the markets in which the Fund may affect its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function that evaluates the creditworthiness of their counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Portfolio Fund Risks

**Lack of Operating History of Portfolio Funds.** The Fund expects to invest in Portfolio Funds that may have relatively limited operating histories. Generally,very little public information exists about these Portfolio Funds, and the Fund will rely on the ability of the Investment Manager and the Sub-Advisors to obtainadequate information to evaluate the potential returns. If the Investment Manager and the Sub-Advisors are unable to uncover all materialinformation about these companies, the Fund may not make a fully informed investment decision, and may lose money on itsinvestment. These Portfolio Funds may be particularly vulnerable to U.S. and foreign economic downturns such as the recent recessionand may have limited access to capital. Portfolio Funds may face intense competition,including from companies with greater financial, technical, operational, and marketing resources, and typically depend upon theexpertise and experience of a single individual executive or a small management team. The Fund’s success depends, in large part, upon theabilities of the key management personnel of the Portfolio Funds, who are responsible for the day-to-day operations of the Portfolio Funds. Competition for qualified personnel is intense at any stage of development. The loss of one ormore key managers can hinder or delay a Portfolio Fund’s implementation of its business plan and harm its financial condition. Portfolio Funds may not be able to attract and retain qualified managers and personnel. In addition, Portfolio Funds may compete with each other for investment or business opportunitiesand the success of one could negatively impact the other. Furthermore, Portfolio Funds do business in regulatedindustries and could be affected by changes in government regulation. Accordingly, these factors could impair their cash flow orresult in other events, such as bankruptcy, which may materially andadversely affect the return on, or the recovery of, the Fund’s investment. As a result, the Fund may lose its entire investment in any or all of thePortfolio Funds.

**Economic Risks of Portfolio Funds.** The business and operating results of Portfolio Funds may be impacted by worldwide economicconditions. Any conflict or uncertainty, including due tonatural disasters, public health concerns, political unrest, or safety concerns, could harm their financial condition and results ofoperations and cash flows. In addition, regulatory or governmental concerns could harm the business of Portfolio Funds. Portfolio Funds may also be susceptible to economic slowdowns or recessions.

**Concentration Risk; Selection of Investment Funds.** A Portfolio Fund may participate in a limited number of investments and, as a consequence, the aggregate return of such Portfolio Fund may be substantially adversely affected by the unfavorable performance of even a single investment. To the extent that a Portfolio Fund concentrates investment in a particular company, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

**Failure of a Portfolio Fund.** Although the Portfolio Funds are carefully selected by the Sub-Advisor, it is possible that the Fund may lose all or a portion of its investment in some Portfolio Funds. No assurance can be given that the failure of one or more Portfolio Funds will not have a material adverse effect on the Fund’s overall performance.

**Reliance on Portfolio Fund Management.** The day-to-day operations of each Portfolio Fund will be the responsibility of its own management team. Although the Sub-Advisors will monitor the performance of the Fund’s Portfolio Fund Investments and will screen for and, if necessary, recruit capable management, there can be no assurance that such management will be able to operate any such Portfolio Fund in accordance with the Investment Manager’s and the Sub-Advisors’ expectations. In addition, the loss to a Portfolio Fund of a member of its management team could be detrimental to the performance of the Portfolio Fund.

**Asset Allocation Risk.** The Portfolio Funds’ investment performance depends upon how their assets are allocated and reallocated. The Portfolio Funds may make less than optimal or poor asset allocation decisions. The Portfolio Funds may employ an active approach to allocation among multiple fixed-income sectors, but there is no guarantee that such allocation techniques will produce the desired results. It is possible that the Portfolio Funds will focus on an investment that performs poorly or underperforms other investments under various market conditions. The Fund may lose all or a portion of its investment in the Portfolio Funds as a result of these allocation decisions.

**Issuer Risk**. The value of a security may decline for a number of reasons that are directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets. A change in the financial condition of a single issuer may affect securities markets as a whole. These risks can apply to Portfolio Funds which are issuers of securities and the Portfolio Funds’ underlying investments.

**Multiple Levels of Fees and Expenses; Portfolio Fund Management Fees and Incentive Fees.** The Fund will incur management, performance, advisory, or other fees and expenses when it invests in or allocates assets to Portfolio Funds. Further, if such Portfolio Funds invest in exchange-traded funds or similar managed products, the Fund will be subject to the fees and costs associated with such investments. The Portfolio Funds may charge incentive fees which may be paid on a quarterly or annual basis. Therefore, a Portfolio Fund manager could receive performance fees in a year even though its corresponding Portfolio Fund was unprofitable during such year. Once a performance fee is paid, the Portfolio Fund manager retains the fee regardless of subsequent performance of its corresponding Portfolio Fund. Performance fees will be calculated separately for each Portfolio Fund, so the Fund could bear substantial performance fees in respect of Portfolio Funds whose trading is profitable even when the Fund as a whole has a loss.

**Indemnification of Portfolio Fund Management.** The Portfolio Funds generally indemnify their corresponding Portfolio Fund managers and their affiliates from any liability, damage, cost, or expense arising out of, among other things, certain acts or omissions. The Portfolio Fund managers often have broad limitations on liability and indemnification rights.

**Potential for Portfolio Fund Manager Fraud or Misconduct.** When the Fund invests in a Portfolio Fund, the Fund does not have custody of the assets or control over its investment. Therefore, there is always the risk that the manager of the Portfolio Fund could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations, or engage in other misconduct. The Portfolio Funds with whom the Fund invests are private and do not register their securities or investment advisory operations under U.S. federal or state securities laws.

**Limited Access to Information on Portfolio Funds’ Investments.** Although the Investment Manager and the Sub-Advisors receive detailed information from each Portfolio Fund regarding the Portfolio Fund’s historical performance and investment strategy, the Investment Manager and the Sub-Advisors generally are not given access to real-time information regarding the actual investments made by the Portfolio Funds. At any given time, the Investment Manager and the Sub-Advisors may not know the composition of the Portfolio Funds’ portfolio companies or investments. In addition, the Investment Manager or the Sub-Advisors may not learn of significant structural changes, such as personnel, manager withdrawals or capital growth, until after the fact.

**Portfolio Fund Deal Flow.** The marketplace for investing in Portfolio Funds is competitive. Intermediation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in Portfolio Funds, and the competition for investment opportunities is at historically high levels. Although the Sub-Advisors will attempt to make investments on behalf of the Fund which meet the criteria set forth in this Memorandum, there is no assurance that such investments can be located in sufficient quantity to allocate all of the Fund’s capital. There can be no guarantee that the Investment Manager’s or the Sub-Advisors’ investment decisions will be profitable.

**Undisclosed Strategies and Risk Factors of Portfolio Funds.** The risks and conflicts of interest disclosed to the Sub-Advisors concerning any Portfolio Fund are addressed in the offering materials provided to the Sub-Advisors. This Memorandum cannot, and does not attempt to, summarize all of the disclosures, risks and conflicts of interest associated with Portfolio Funds, nor does it address all the potential strategies the Sub-Advisors or the Portfolio Fund managers could pursue.

**Portfolio Funds Not Registered.** The Portfolio Funds may not be registered as investment companies under the Investment Company Act and, therefore, the Fund is not entitled to the protections of the Investment Company Act with respect to the Portfolio Funds. For example, the Portfolio Funds are not required to, and may not, hold custody of their assets in accordance with the requirements of the Investment Company Act. As a result, bankruptcy or fraud at institutions, such as brokerage firms, banks or administrators, into whose custody those Portfolio Funds have placed their assets, could impair the operational capabilities or the capital position of the Portfolio Funds and may, in turn, have an adverse impact on the Fund. In addition, the Portfolio Fund managers often will not be registered as investment advisers under the Investment Advisers Act. Further, the Portfolio Funds in which the Fund invests are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were registered or publicly traded.

**Reliability of Valuations.** The value of Fund’s interest in each Portfolio Fund is generally determined pursuant to the instrument governing such Portfolio Fund, and reported by the relevant Portfolio Fund manager or such Portfolio Fund’s administrator. Such valuations may not be indicative of what actual fair market value would be in an active, liquid or established market. There may be extraordinary circumstances in which actual or estimated net asset values of Portfolio Funds would be adjusted by the Investment Manager if the Investment Manager determines that a significant and unusual circumstance with a Portfolio Fund warrants a downward net asset value adjustment.

**Sub-Advisor’s Selection of Portfolio Fund Managers.** The Sub-Advisor’s decisions regarding the selection of particular Portfolio Fund managers, the timing and size of the Fund’s allocations to particular Portfolio Fund managers, and the overall mix of investment styles and techniques employed by the Portfolio Fund managers used by the Fund at any given time may prove unsuccessful in generating profits or avoiding loss because of, but not limited to, faulty assumptions, incomplete intelligence on and misleading statements from Portfolio Fund managers.

**Non-U.S. Portfolio Fund Managers.** Certain of the Portfolio Funds may be managed by non-U.S. Portfolio Fund managers, which could subject the Fund to potential risks because non-U.S. Portfolio Fund managers may not, among other things, be subject to accounting, auditing and financial reporting standards and regulatory requirements comparable to those of U.S. Portfolio Fund managers. In addition, less information may be available regarding such non-U.S. Portfolio Fund managers. The Fund might have greater difficulty taking appropriate legal action in non-U.S. courts.

**Other Accounts Managed by Portfolio Fund Managers.** The Portfolio Fund managers may manage other funds (including other accounts in which such Portfolio Funds may have an interest) which, together with funds already being managed, could increase the level of competition for the same investments that the relevant Portfolio Fund might otherwise make. This could make it difficult or impossible to take or liquidate a position in a particular investment of the Portfolio Fund.

Fund Risks

**In-Kind Contributions.** In-Kind Contributions will be valued as of 11:59pm UTC on the day immediately preceding the date the the In-Kind Contribution is credited to the Fund, in accordance with the General Partner’s valuation policy. Changes in relative value of the Digital Asset(s) against the U.S. dollar will affect the value of the In-Kind Contribution and may result in a Limited Partner’s Capital Account being credited with a higher or lower U.S. dollar value of the In-Kind Contribution at the time it is sent to the Fund. All of the risks of the Fund’s trading of Digital Assets described in this Memorandum will thus be borne directly by the Limited Partner during the period from when such In-Kind Contribution is accepted by the Fund and when such In-Kind Contribution is credited to the Fund. Digital Assets are volatile and speculative, and Limited Partners may experience a significant loss of value of the In-Kind Contribution before their In-Kind Contribution is credited to the Fund.

Additionally, Limited Partners who, within a two-year period, make In-Kind Contributions and receive withdrawal proceeds in-kind or in cash, may be presumed to have participated in a taxable sale and thereby such Limited Partner and the Fund may be forced to recognize gain or loss for such In-Kind Contribution and payment of withdrawal proceeds, unless adequate disclosure is made pursuant to Treasury Regulation § 1.707-8(b).

**Illiquidity of Interests; In-Kind Distributions.** An investment in the Fund is relatively illiquid and is not suitable for an investor who needs liquidity. There is no public market for Interests (nor is any public market expected to develop for such Interests) and the Partnership Agreement imposes significant limitations on Limited Partners’ abilities to transfer Interests. Interests may not be transferred or pledged except in compliance with significant restrictions on transfer as required by Federal and state securities and commodities laws and as provided in the Partnership Agreement. Except as set forth in the Partnership Agreement, a Limited Partner is not permitted to Transfer (including, without limitation, pledge) all or any part of its Interest to any person without the prior written consent of the General Partner, the granting of which is in the General Partner’s sole discretion. In addition, rights to withdraw funds from the Fund are subject to several limitations. The General Partner may consent (or, in its sole discretion, decline to consent) to deviations from one or more of the procedures or limitations regarding withdrawals. The General Partner, following consultation with the Investment Manager, has the discretion to cause the Fund to deliver amounts withdrawn in-kind rather than cash. The assets so delivered may be relatively illiquid and the Limited Partner would bear the risk of a decline in their value after the effective time of its withdrawal. Further, such investments so distributed may not be readily marketable or saleable and may have to be held by such Limited Partner for an indefinite period of time. Any such in-kind distributions will not materially prejudice the interests of the remaining Limited Partners. These facts, taken together, will significantly affect the liquidity of a Limited Partner’s investment in the Fund.

**Effect of Substantial Withdrawals.** Substantial withdrawals by Limited Partners within a short period of time could require or result in the liquidation of investment positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund’s assets and/or disrupting the Investment Manager’s investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund’s ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses. The Investment Manager may permit some Limited Partners to have access to more information about the Fund’s investments, or to obtain information more rapidly, than Limited Partners generally. In addition, withdrawals or redemptions by investors in other investment vehicles or accounts managed by the Investment Manager, some of which may have more advantageous information and/or liquidity rights than those provided to Limited Partners, could adversely affect the value of portfolio positions held by the Fund. Further, a significant withdrawal of Capital Accounts from the Fund may cause a temporary imbalance in the Fund’s portfolio, which may adversely affect the remaining non-withdrawing Limited Partners. The Fund may distribute cash and/or assets to withdrawing Limited Partners who have no need for liquidity in the investment, other than to pay annual tax liabilities associated with the Fund.

**Potential Mandatory Withdrawal.** The General Partner may, in its sole discretion at any time, require a Limited Partner to withdraw all or a portion of its Capital Account. Such a mandatory withdrawal could result in adverse tax and/or economic consequences to such Limited Partner.

**Risk of Asset Growth.** If the assets managed by the Investment Manager and its affiliates grow significantly, it may adversely affect the Fund’s investment performance. It becomes more difficult to find attractive investment opportunities as the amount of assets that the Investment Manager and Sub-Advisors must invest increases. In this event, the Investment Manager and the Sub-Advisors may find it necessary to invest in a greater number of positions than it currently intends, which could dilute its focus on individual positions, impair its ability to monitor existing and potential investments, and result in investments in positions that it otherwise would not select. In addition, with greater assets to invest, it will be increasingly difficult for the Fund to make investments large enough to be meaningful to their overall portfolios.

**Contingency Reserves.** The General Partner, following consultation with the Investment Manager, may on behalf of the Fund establish reserves for contingencies (including general reserves for unspecified contingencies). The establishment of such reserves will not insulate any portion of the Fund’s assets from being at risk, and such assets may still be traded by the Fund. A pro rata portion of any reserve may be withheld from distribution to a withdrawing Limited Partner.

**Tax Liability Without Distributions.** Partners must recognize for income tax purposes their pro rata shares of the taxable net income of the Fund, regardless of whether the Partners requested a partial withdrawal from the Fund to cover their income tax liabilities. Taxable income can be expected to differ from Net Income, primarily because generally only realized gains and losses are considered for income tax purposes but Net Income and Net Loss will include unrealized gains and losses. The Fund may generate taxable income for a Partner even though the value of the Partner’s interest in the Fund has declined. It will generally be necessary for Partners to pay such tax liabilities out of separate funds or withdrawals from the Fund. There are significant limitations on a Partner’s right to withdraw funds from the Fund. Sufficient information may not be available in time for the Partner to determine accurately an amount to withdraw to pay taxes for a given fiscal year.

**Information Rights.** Subject to the sole discretion of the General Partner, certain Limited Partners may invest on terms that provide access to information that is not generally available to other Limited Partners, and as a result, may be able to act on such additional information (i.e., withdraw their Capital Accounts) that other Limited Partners do not receive.

**Side Letter Agreements.** In accordance with common industry practice, the General Partner and/or the Investment Manager may enter into one or more Side Letters or similar agreements with certain Limited Partners pursuant to which they may agree to vary certain of the terms applicable to any such Limited Partner or grant to any such Limited Partner specific rights, benefits, or privileges that are not made available to Limited Partners generally. The General Partner and/or the Investment Manager may also agree to provide a greater level of disclosure regarding the investments and activities of the Fund to certain Limited Partners than other Limited Partners. Such agreements will be disclosed only to those actual or potential Limited Partners that have separately negotiated with the General Partner and/or the Investment Manager for the right to review such agreements.

**Asset Valuation.** The Investment Manager has substantial discretion in determining the value of the Fund’s assets and liabilities, whether or not a public market exists for assets of the same class or type. While some marketable assets are valued based on prices reported in the public markets, other investments may be more thinly-traded or subject to irregular trading activity. Determinations on the value of certain investments, and how to value assets and liabilities as to which limited prices or quotations are available, are based on the Investment Manager’s recommendations or instructions to the Administrator. The Investment Manager may face a conflict of interest in making any of these valuation decisions or recommendations. The Sub-Advisor may not be able to effectively manage the Fund’s investment portfolio, diversification, and other internal guidelines and risks if the Fund’s portfolio is inaccurately valued. Any such inaccuracy could adversely affect the Limited Partners.

**Possible Master-Feeder or Mini-Master Structure in the Future.** In the future, the General Partner, the Investment Manager, or affiliated entities may sponsor the formation of a non-U.S. based business company (the “Offshore Feeder”) which will offer its interests primarily to non-U.S. individuals and U.S. tax-exempt entities. For a “Master-Feeder” structure, the Fund, together with the Offshore Feeder (when and if established), will place substantially all of its assets in, and conduct substantially all of its trading activities through a master fund (the “Master Fund”), another non-U.S. based business company utilizing such Master-Feeder structure. The establishment of the Master Fund would be sponsored by the General Partner or affiliated entities at the time the Offshore Feeder is established. When and if such events occur, the General Partner or an affiliate will serve as the investment manager to the Offshore Feeder and the Master Fund and will conduct the trading activities of the Master Fund, managing its day-to-day activities. For a “Mini-Master” structure, the Offshore Feeder, would place substantially all of its assets in, and conduct all of its trading activities through the Fund. In such event, the General Partner or an affiliate will serve as the investment manager to the Offshore Feeder. The Offshore Feeder will be a Limited Partner of the Fund.

**Absence of Certain Administrator Oversight.** The Fund initially intends to have certain tasks typically performed by a hedge fund administrator, including performance of procedures in compliance with the Anti-Money Laundering (“AML”) and Know Your Customer (“KYC”) regulations to be performed by the Affiliated Parties. Hedge fund administrators are generally responsible for providing such functions, processes, and procedures to comply with the U.S. AML and KYC regulations and in connection with the admission of Limited Partners into the Fund. Foregoing such AML and KYC services provided by an administrator and having the General Partner be responsible for performing such functions eliminates a layer of oversight on the General Partner’s operations. If the AML and KYC processes and procedures are not properly performed by the General Partner, the General Partner may be in violation of such U.S. regulations, and the Fund’s operations may be adversely affected.

**Management Risk.** The Fund intends to utilize the Administrator, the General Partner, or an affiliate of the General Partner (such party, the “Transfer Agent”) to maintain records of ownership in book entry format as well as in the issuance of Digital Assets representing the underlying Limited Partnership Interests in the Fund (i.e., Token Units), using blockchain technology. The Fund will be one of the first unregistered funds to have Interests represented in the form of Token Units, though such records are duplicated in traditional book entry format. Given the novel nature of such Token Unit issuance in this format, the Fund’s management (including, for the avoidance of doubt, the Investment Manager, the General Partner, the Sub-Advisors, the Affiliated Parties, and the Sub-Advisor Affiliated Parties) is to be considered as having limited experience using blockchain technology to maintain records and facilitate transactions in the interests of an unregistered fund represented by Digital Assets.

**Risk of Token Units.** Digital Assets, including Token Units, are loosely regulated. Digital Assets are created, issued, transmitted, and stored according to protocols run by computers that are not controlled by any Partners, the General Partner, the Investment Manager, the Administrator, any Sub-Advisors or any affiliates of any of the foregoing. In addition, Digital Assets, including Token Units, may be used in connection with blockchain-based applications that are not designed, developed, operated, maintained or controlled by any Partners, the General Partner, the Investment Manager, the Administrator, any Sub-Advisors or any affiliates of any of the foregoing. It is possible these protocols or applications, or the Digital Assets themselves, may have undiscovered flaws or may be susceptible to bugs, exploits, hacks, phishing schemes, fraud or other vulnerabilities, which in each case could result in a loss of such Digital Assets, including the Token Units. There may also be network scale attacks against these protocols or applications, or the Digital Assets themselves, which result in the loss of such Digital Assets, including the Token Units. The Token Units issued by the Fund may be created, issued, or transmitted using experimental cryptography which could have underlying flaws or may be susceptible to bugs, exploits, hacks or other vulnerabilities. Advancements in quantum computing could break the cryptographic rules of protocols which support the Token Units. The Fund makes no guarantees about the reliability of the cryptography used to issue the Token Units.

**Issuance of Token Units.** The Fund will be one of the first unregistered funds that may have Interests represented in the form of Token Units it shall issue. As such, the use of the Token Units to represent Fund Interests is relatively untested with respect to U.S. securities laws, rules, and regulations, including the Investment Advisers Act, the Securities Act, the Investment Company Act, the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act), and other applicable laws. There may be, in the future, laws, rules, regulations, court decisions, or other legal and regulatory actions which determinatively prohibit, restrict, or prevent the issuance of Digital Assets representing equity interests (e.g., like the Token Units). The General Partner cannot be certain as to how future regulatory developments will impact the treatment of Token Units under the law. While it is impossible to predict future regulatory change on the Fund, any adverse developments could be material and substantial in nature.

**Liquidity Risk.** The Token Units will not be listed for trading on a national securities exchange or  
through a national market system (“NMS”) and are not currently available for secondary trading in any venue, such as a public, decentralized or centralized, electronic exchange platform that is a national securities exchange or on an alternative trading system (“ATS”) operated by a registered broker-dealer and that is subject to ATS regulations. The Fund has no current agreements to make the Token Units available through any such electronic exchange platform. Accordingly, Limited Partners may not be able to liquidate their investment in the event of an emergency or for any other reason. Token Units should be purchased only by prospective investors who can bear the economic risk of their investment, who can afford to have their funds committed to an illiquid investment and who, if necessary, can afford a complete loss of their investment.

**Emerging Technology Risks.** Since the Token Units will be transferred using emerging technologies, transactions in such Digital Assets will be subject to associated risks including:

* a rapidly evolving regulatory landscape, which might include security, privacy or other regulatory concerns that could require changes to digital systems that disrupt transactions in the Token Units Units;
* the possibility of undiscovered technical flaws or susceptibility to bugs, exploits, hacks, phishing schemes, fraud or other vulnerabilities in an underlying technology, including in the process by which transactions are recorded or by which the validity of a copy of such blockchain can be authenticated;
* the possibility that security measure that authenticate prior transactions could be compromised or hacked (including, without limitation, via a coordinated effort of malicious persons) which could allow an attacker or attackers to alter the blockchain and thereby disrupt the ability to corroborate definitive transactions recorded on the blockchain;
* the possibility that new technologies or services will inhibit access to the blockchain;
* the possibility of breakdowns and transaction halts as a result of undiscovered technology flaws, bugs or other vulnerabilities that could prevent transactions for a period of time;
* the possibility that a digital “wall” application or interface is compromised or hacked by a third party, resulting in a loss of the holder’s Token Units; and
* the possibility that an investor’s private key(s), or credentials for accessing their private key(s), are lost, stolen or otherwise compromised, and the Fund is unable to verify the loss or theft, resulting in irreversible investor losses.

**Cybersecurity Risks Relating to Token Units.** The Token Units, the blockchain on which the Token Units are issued, the blockchain-based applications with which the Token Units may interact and the Fund are each subject to various significant cybersecurity risks. The nature of cryptoassets and blockchain technology may lead to an increased risk of fraud or cyberattack. Hackers or other malicious groups or organizations may attempt to interfere with the Token Units, the blockchain on which the Token Units are issued, the blockchain-based applications with which the Token Units may interact or the Fund in a variety of ways, including, but not limited to, viruses, malware attacks, denial-of-service attacks, consensus-based attacks, Sybil attacks, smurfing, spoofing, social engineering, phishing emails, man-in-the-middle, phone hijacking, and ransomware.

The Token Units, the blockchain on which the Token Units are issued or the blockchain-based applications with which the Token Units may interact may be unavailable, interrupted, misappropriated or otherwise compromised in the event of a cyberattack attack or other malicious activity. Because attackers can use a variety of hardware and software that may interface with the Fund ad its operations, there is risk that the Token Units may become unavailable or interrupted or irretrievably lost or stolen based on a failure of interoperability or an inability to integrate these third-party systems and devices that the Fund does not control. The risks that the Token Units, the blockchain on which the Token Units are issued and/or the blockchain-based applications with which the Token Units may interact may face unavailability, interruptions, security vulnerabilities, misappropriation or other compromises could adversely affect the Fund or Token Units and therefore the future value and utility of the Token Units.

Although it is difficult to determine what, if any, harm may directly result from any specific attack, any failure to maintain performance, reliability, security, and availability of the Fund or Token Units may harm the Fund’s reputation, its ability to retain existing users and attract new users, and its results of operations.

**Token Units May Contain Errors, Bugs, Defects or Other Vulnerabilities.** The Token Units generally rely on and incorporate software that is highly technical and complex, and depends on the ability of such software to store, retrieve, process, and manage immense amounts of data. This software has and may now or in the future contain errors, bugs, defects or other vulnerabilities. It is possible that the General Partner and the Tokenizer will not detect errors, bugs or other vulnerabilities in the Token Units or the underlying technologies until after code has been released for external or internal use. Any errors, bugs, defects or other vulnerabilities discovered in the Token Units’ code after release may result in a negative experience for persons who use the Token Units. Any errors, bugs, defects or other vulnerabilities discovered in the Token Units could result in damage to the Fund’s reputation, could result in significant declines in the value of the Token Units.

**Risk of** **Loss of Token Units Private Keys.** Once the Token Units are distributed, a Limited Partner’s Token Unit balance is associated with the public key address that such Limited Partner has provided to the Fund, which is in turn associated with such Limited Partner’s corresponding private key(s). Each Limited Partner is responsible for safeguarding access to and control over its private key(s) and keeping its private key(s) secret, such that no person that is not authorized by the Limited Partner can ever use such private key(s). Because a private key, or a combination of private keys, is necessary to control and dispose of the Token Units stored in a digital wallet, the loss of one or more of the private keys associated with a digital wallet storing the Token Units, or the loss of access to or control over any such private keys, will result in the loss of such Limited Partner’s Token Units. Moreover, any third party that gains access to one or more of a Limited Partner’s private keys, including by gaining access to login credentials of a hosted wallet service that is used to store any of the Limited Partner’s Token Units, may be able to misappropriate Token Units. The General Partner, the Tokenizer (as defined below), and their respective affiliates will never ask Limited Partners for any their private keys or any credentials relating to, and Limited Partners should never share them with someone that they do not know and fully trust.

**Risk that the Price Charged for Token Units Does Not Reflect Their Value.** The price at which the Fund offers Token Units pursuant to the offering of Interests herein, and the price at which a Limited Partner will purchase additional Token Units, may fluctuate based on the net asset value of the Fund and of all of the Investments, and usually will not be known when an investor subscribes to making an investment in Token Units and transfers money to the Fund. Because the value of any given Investments may not accurately reflect its actual value, the Token Unit price may not accurately reflect the actual value of each Token Unit at any given point.

In addition, a failure to whitelist a sufficient number of potential investors may negatively affect the value of the Token Units. There is no guarantee that the Fund will become successful in the marketplace, and, therefore, the value of the Token Units may decrease.

**Cross-Class Liability.** The Fund has the power to issue Interests in Classes. Although the Fund maintains Interests in respect of each Class separately from Interests in other Classes, with the Capital Contributions (and investments made therewith) tracked separately on the books and records of the Fund, the Fund as a whole, including all of the separate Interests in respect of the Classes, is one legal entity. Thus, all of the assets of the Fund are available to meet all of the liabilities of the Fund, regardless of the Class to which such assets or liabilities are attributable. In practice, cross-class liability will usually only arise where the applicable Class becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to other Classes may be applied to cover the liabilities of the insolvent Class.

The Fund currently offers OUSG Interests. The Fund may offer OSTB Interests, OHYG Interests, and additional Classes of Interests in the future, in its sole discretion. Should any Class of Interest experience losses to the degree that the liabilities of such Class of Interest exceed the assets attributable to it, assets attributable to the other Classes of Interests may be applied to cover the liabilities, resulting in a loss for those investors.

**Legal Counsel.** Documents relating to the Fund, including the Subscription Documents to be completed by each Limited Partner, as well as the Partnership Agreement, are detailed and often technical in nature. Cole-Frieman & Mallon LLP and Orrick, Herrington & Sutcliffe LLP are legal counsels to the Fund, the General Partner, and the Investment Manager and do not represent the interests of any Limited Partner. Moreover, under the Partnership Agreement, each Limited Partner will be required to waive any actual or potential conflicts of interest between such Limited Partner and legal counsel to the Fund. Accordingly, each prospective Limited Partner is urged to consult with its own legal counsel before investing in the Fund. Finally, in advising as to matters of law (including matters of law described in this Memorandum), legal counsel has relied, and will rely, upon representations of fact made by the General Partner, the Investment Manager, and other persons in this Memorandum and other documents. Such advice may be materially inaccurate or incomplete if any such representations are themselves inaccurate or incomplete, and legal counsel generally will not undertake independent investigation with regard to such representations.

Neither Cole-Frieman & Mallon LLP nor Orrick, Herrington and Sutcliffe LLP serves as legal counsel to any Sub-Advisors.

Other Risks

**Tax Considerations.** The Fund does not intend to utilize leverage or borrow. Though, in the event the Fund does utilize leverage and borrow, tax-exempt Limited Partners may incur an income tax liability with respect to their share of any unrelated business taxable income (“UBTI”) the Fund may generate, if applicable. Each investor should consult with and rely on its own independent tax counsel as to the U.S. Federal income tax consequences of an investment in the Fund based on its particular circumstances, as well as to applicable state, local or non-United States tax laws. For a more detailed discussion of the income tax considerations associated with an investment in the Fund, see the discussion below under “Tax Considerations”.

**Delayed Schedules K-1.**The Fund will provide a Schedule K-1 to each Limited Partner as soon as reasonably practicable after the end of each taxable year.  It is possible, however, that, the Schedules K-1 for a taxable year will not be delivered to the Limited Partners until after April 15 of the following year.  **It is therefore possible that, in any taxable year, the Limited Partners will need to apply for extensions of time to file their tax returns.**

**Risks for Certain Benefit Plan Investors Subject to ERISA.** Prospective investors that are benefit plan investors subject to the ERISA and Department of Labor Regulations issued thereunder should read the section hereof entitled “ERISA MATTERS” in its entirety for a discussion of certain risks related to an investment by benefit plan investors in the Fund.

**Investment Company Regulation.** The Fund relies on Section 3(c)(7) of the Investment Company Act to avoid requirements that the Fund register as an “investment company” under, and comply with the substantive provisions of, the Investment Company Act. If the Fund were required to be registered as an investment company, the Investment Company Act would require, among other things, that the Fund have a board of directors, some of whom were unrelated to the General Partner and the Investment Manager, compel certain custodial arrangements and regulate the relationship and transactions between the Fund, the General Partner, and the Investment Manager. Compliance with some of those provisions could possibly reduce certain risks of loss, although such compliance could significantly increase the Fund’s operating expenses and limit the Fund’s investment and trading activities. Interpretations of Section 3(c)(7) are complex and uncertain in several respects, and as a result, there can be no assurance that the Fund will remain entitled to rely on that Section. If the Fund were found not to have been entitled to such reliance, the Fund, the General Partner, and the Investment Manager could be subject to legal actions by the SEC and others and the Fund could be forced to terminate its business under adverse circumstances.

**Registration Exemption.** The Fund offers Interests on a continuing basis without registration under the Securities Act in reliance on an exemption for “transactions by an issuer not involving any public offering”, and without registration or qualification of the Interests under state laws in reliance on related exemptions. While the General Partner believes reliance on such exemptions is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other funds, the scope of disclosure provided, failures to file notices or renewals of claims for exemption, or changes in applicable laws, regulations, or interpretations will not cause the Fund to fail to qualify for such exemptions under Federal or one or more states’ laws. Failure to so qualify could result in the rescission of sales of Interests at prices higher than the current value of those Interests, potentially materially and adversely affecting the Fund’s performance and business. Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect the General Partner’s ability to conduct the Fund’s business.

**Possibility of Additional Government or Market Regulation.** Market disruptions, the dramatic increase in the capital allocated to alternative investment strategies during recent years, and the growing concern about the lack of regulation of private investment funds, have led to increased governmental as well as self-regulatory scrutiny of the private investment fund industry in general. Certain legislation proposing greater regulation of the industry periodically is considered by U.S. federal, state, and local and non-U.S. governments, regulatory or administrative agencies, self-regulatory organizations or other similar entities. It is impossible to predict what, if any, changes in the regulations applicable to the Fund, the General Partner, and the Investment Manager, the markets in which they trade and invest or the counterparties with which they do business may instituted in the future. Any such regulation could have a material adverse impact on the profit potential of the Fund, as well as require increased transparency as to the identity of the Limited Partners. The financial services industry generally, and certain investment activities of private investment funds similar to the Fund, and their investment managers, in particular, have been subject to intense and increasing regulatory scrutiny.

Additional governmental scrutiny may increase the Fund’s, the General Partner’s, or the Investment Manager’s exposure to potential liabilities and to legal, compliance, and other related costs. Increased regulatory oversight, enhanced regulation and the adoption of new statutes, rules or regulations with respect to the investment activities of the Fund may also reduce the amount and availability of the investment opportunities of the Fund. The reduction of such investment opportunities could have a material and adverse effect on the investment performance of the Fund. Such increased regulatory oversight and regulation may also impose additional administrative burdens on the General Partner or the Investment Manager and such regulatory proposals, or any future proposals, if adopted could adversely affect the Fund, including the business, financial condition and prospects of the Fund, and could also require increased transparency as to the identity of the Limited Partners.

**Other Laws and Regulations.** The Fund, the General Partner, and the Investment Manager are subject to various other securities and similar laws and regulations that could limit some aspects of the Fund’s operations or subject the Fund, the General Partner, or the Investment Manager to the risk of sanctions for noncompliance.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective Limited Partners should read the entire Memorandum and consult with their own advisers before deciding to subscribe for Interests.**

## **POTENTIAL CONFLICTS OF INTEREST**

Various conflicts of interest exist among the General Partner, the Investment Manager, the Sub-Advisor, their respective affiliates, the Fund, and the Limited Partners. The Fund must rely on the General Partner and the Investment Manager for the operation of its affairs and the management of its portfolio. It should be noted that the principals, managing members, members, employees, and affiliates of the General Partner, the Investment Manager, Sub-Advisor, and other parties related to the General Partner and the Investment Manager, may own Interests (directly or indirectly), and such Interests may be significant from time to time. Such conflicts include, but are not necessarily limited to, the following:

**General Partner, Investment Manager, and Sub-Advisor Conflicts of Interest.** The General Partner, the Investment Manager, and Sub-Advisor will devote as much of their time and effort to the affairs of the Fund as each deems necessary and appropriate to accomplish the purposes of the Fund. Under the terms of the Partnership Agreement, the General Partner and its directors, members, partners, shareholders, officers, employees, agents and affiliates, including the Investment Manager (collectively, “Affiliated Parties”) and under the terms of the Sub-Advisory Agreements, the Sub-Advisors and their respective directors, members, partners, shareholders, officers, employees, agents and affiliates (collectively, the “Sub-Advisor Affiliated Parties”), may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Fund. Without limiting the generality of the foregoing, the Affiliated Parties and/or Sub-Advisor Affiliated Parties may act as investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. In this regard, it should be noted that certain Sub-Advisors may act as the investment manager for other pooled investment vehicles and may in the future act as the investment manager to other investment funds and investment accounts, including offshore investment funds and other U.S. investment partnerships. Such other entities or accounts may have investment objectives or may implement investment strategies similar or different to those of the Fund. In addition, the Affiliated Parties and/or the Sub-Advisor Affiliated Parties may, through other investments, including other investment funds, have interests in investments in which the Fund invests as well as interests in investments in which the Fund does not invest. As a result of the foregoing, the Affiliated Parties and/or the Sub-Advisor Affiliated Parties may have conflicts of interest in allocating their time and activity between the Fund and other entities, in allocating investments among the Fund and other entities and in effecting transactions for the Fund and other entities, including ones in which the Affiliated Parties and/or the Sub-Advisor Affiliated Parties may have a greater financial interest.

**Investment Opportunities.** Neither the Affiliated Parties nor the Sub-Advisor Affiliated Parties are obligated to make any particular investment opportunity available to the Fund and may take advantage of any opportunity, either for other accounts the Affiliated Parties and/or the Sub-Advisor Affiliated Parties manages or for themselves.

**Allocations.** The Affiliated Parties and/or the Sub-Advisor Affiliated Parties may give advice or take action with respect to such other entities or accounts that differs from the advice given with respect to the Fund. To the extent a particular investment is suitable for both the Fund and other clients of the Affiliated Parties and/or the Sub-Advisor Affiliated Parties, such investments may be allocated between the Fund and the Sub-Advisor Affiliated Parties’ other clients in a manner that the Investment Manager and the Sub-Advisor Affiliated Parties determine is fair and equitable under the circumstances to all clients, including the Fund. When it is determined that it would be appropriate for the Fund and one or more other investment accounts managed by the Investment Manager or its affiliates to participate in an investment opportunity, the Investment Manager will generally seek to execute orders for all of the participating investment accounts, including the Fund, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the investment programs and portfolio positions of the Fund and the affiliated entities for which participation is appropriate. Orders may be combined for all such accounts, if applicable, and if any order is not filled at the same price, they may be allocated on an average price basis.

**Cross-Transactions.** Situations may arise where certain assets held by one or more funds and investment accounts managed by the Investment Manager may be transferred to other funds and investment accounts managed by the Investment Manager, including for the purpose of rebalancing the portfolios of such funds and investment accounts. Such transactions will be conducted in accordance with, and subject to, the Investment Manager’s fiduciary obligations to the Fund. The General Partner is authorized to select, one or more persons, not affiliated with the General Partner or the Investment Manager, to serve on a committee, the purpose of which will be to consider, and on behalf of the Limited Partners, approve or disapprove, to the extent required by applicable law, principal transactions and certain other related party transactions.

**Calculation of Net Asset Value.** The Administrator calculates the beginning net asset value of Capital Accounts, upon which the Management Fee is based. However, in limited circumstances the Investment Manager will be entitled to direct the Administrator to accept pricing information of the Investment Manager even if the valuation implied by such pricing information differs from valuations that the Administrator may accept from other clients or valuations that affiliates of the Administrator may use in connection with their customer or proprietary business and the Administrator is entitled to rely on such prices without further verification. In such situations, this could result in the calculation of a larger Management Fee to the Sub-Advisors.

**Fees to Third Parties.** Selling commissions and/or referral fees may be paid in connection with the offering of the Limited Partnership Interests. A portion of the Management Fee and/or the Performance Allocation may be remitted to third parties introducing Limited Partners to the Fund, or the General Partner or the Investment Manager may use its own resources to compensate third parties for such introductions. The Investment Manager may also direct brokerage from Fund trades to broker-dealers which introduce Limited Partners to the Fund, subject to applicable laws. The General Partner may also designate a “Special Limited Partner” to receive a portion of any such fees.

**Soft Dollars.** The Investment Manager and the Sub-Advisors do not currently intend to use soft dollars but may do so in the future. The use of brokerage commissions to obtain research services creates a conflict of interest between the Investment Manager and/or the Sub-Advisors on one hand and the Fund on the other hand. This may result in the Fund paying higher brokerage commissions than might be paid if transactions were effected through brokers that do not provide such services. To the extent that the Investment Manager and/or the Sub-Advisors are able to acquire these products and services without expending its own resources or at reduced prices, the Investment Manager’s and/or the Sub-Advisors’ use of “soft dollars” would tend to increase their profitability. In addition, the availability of these non-monetary benefits may influence the Investment Manager and/or the Sub-Advisors to select one broker rather than another to perform services for the Fund.

**Voting of Interests.** The General Partner, the Investment Manager, and their respective principals, members, employees, and related parties will be entitled to vote any Interests they own as Limited Partners. The interests of the General Partner, the Investment Manager, and such related parties may conflict with the interests of the other Limited Partners on any issue requiring a vote.

**No Independent Counsel.** Prospective investors in the Fund have not been separately represented by counsel. The law firm retained by the General Partner to represent the Fund represents the Fund, the General Partner, and the Investment Manager, but not the prospective investors or Limited Partners of the Fund.

**Different Terms for Certain Limited Partners.** The Fund may create additional Classes of Interests which Interests may be subject to different terms, including, without limitation, denomination of currency, fees charged, minimum commitment amounts, withdrawal rights, and other rights. In addition, the Fund, the General Partner, and/or the Investment Manager, without the approval or consent of any Limited Partner, may enter into Side Letters with Limited Partners that have the effect of establishing rights under, or altering or supplementing the terms of, the Partnership Agreement as it applies to such Limited Partner.

The foregoing description of conflicts of interest does not purport to be a complete list of potential conflicts. Other present and future activities of the General Partner, the Investment Manager, the Sub-Advisor, and their respective affiliates may give rise to additional conflicts of interest. If a conflict of interest arises, the General Partner, the Investment Manager, and the Sub-Advisor will attempt to resolve such conflicts in a fair and equitable manner.

## **THE OFFERING**

The Fund is offering OUSG, OSTB, and OHYG Limited Partnership Interests to certain qualified investors as described herein and in the Subscription Documents. The Limited Partnership Interests generally have the same rights and characteristics, differing solely as to which assets in the Fund’s portfolio they have exposure to. The Fund may create additional classes of Interests which Interests may be subject to different terms, including, without limitation, denomination of currency, fees charged, minimum commitment amounts, withdrawal rights, and other rights.

OUSG Limited Partnership Interests will be invested solely in and have exposure only to the OUSG Portfolio.

OSTB Limited Partnership Interests will be invested solely in and have exposure only to the OSTB Portfolio.

OHYG Limited Partnership Interests will be invested solely in and have exposure only to the OHYG Portfolio.

Subject to any limitations imposed by the General Partner, each Limited Partner may, subject to the General Partner’s discretion, elect to exchange all or a portion of its holding of Token Units for different Token Units. This exchange of a Class of Limited Partnership Interests may only be accomplished by an in-kind withdrawal of a Class of Token Units for another Class of Token Units. Each Limited Partner should consult its own tax advisors as to the tax consequence of the exchange of Token Units (and thus the related Class of Limited Partnership Interest) before making such election.

Subject to any limitations imposed by the General Partner, each Limited Partner may, subject to the General Partner’s discretion, elect to exchange, without withdrawal, all or a portion of its holding of a version of Token Units for a different version of Token Units in the same Class of Limited Partnership Interest (e.g., a rebasing version of a Token Unit for an accumulating version of such Token Unit). Limited Partners should consult their own tax advisors as to the potential tax consequence of the exchange of versions of Token Units before making such election.

Each Class Portfolio may have exposures to U.S. dollar “stablecoins” (e.g., USDC tokens and PYUSD)

Each Class of Limited Partnership Interests will be represented by one or more separate Digital Assets (i.e., Token Unit).

OUSG Limited Partnership Interests will be represented by two different Token Unit versions: (i) the OUSG Tokens, which will be the accumulating version of the OUSG Limited Partnership Interest and (ii) the rOUSG Token, which will be the rebasing version of the OUSG Limited Partnership Interest. Class OUSG Limited Partners will be able to choose between holding OUSG Tokens, rOUSG Tokens, or both with respect to their investment in OUSG Limited Partnership Interests.

OSTB Limited Partnership Interests will be represented by the OSTB Tokens.

OHYG Limited Partnership Interests will be represented by the OHYG Tokens.

The ownership and transfer of the Token Units will be authenticated and recorded via an open source, public, blockchain-based distributed computing platform and operating system featuring smart contract functionality. The books and records of the Fund with respect to the ownership of the Limited Partnership Interests will be concurrently updated by the General Partner in order to properly reflect the ownership of the Limited Partnership Interests represented by the Token Units.

OUSG Tokens will have an initial issuance price of $100 per Token Unit; provided that, the General Partner, in its sole discretion and without prior notice, may change the issuance price of the OUSG Tokens.

rOUSG Tokens will have an initial issuance price of $1 per Token Unit; provided that, the General Partner, in its sole discretion and without prior notice, may change the issuance price of the rOUSG Tokens.

Accordingly, in connection with any right, authority or power that may be exercised by the General Partner with respect to Limited Partnership Interests pursuant to the Partnership Agreement, such right, authority or power may also be exercised by the General Partner to the same extent with respect to Token Units. In addition, in connection with any right or obligation associated with Limited Partnership Interests under the Partnership Agreement, the Token Units will be deemed to carry such right or obligation associated with the Limited Partnership Interests.

Interests may be offered by any form of general solicitation or general advertising pursuant to Rule 506(c) under Regulation D promulgated under the Securities Act, provided that the Fund takes reasonable steps to verify that each prospective investor is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D and complies with all applicable laws and regulations. Each prospective investor must have completed and submitted all requested documentation necessary for the Fund to make such verification.

Notwithstanding anything to the contrary in this Memorandum, no New York Person will be permitted to be admitted to the Fund as a Limited Partner. In addition, in the event that a Limited Partner becomes a New York Person after the date of admission to the Fund as a Limited Partner, the General Partner will be permitted to exercise a mandatory withdrawal against such Limited Partner pursuant to the Partnership Agreement.

The minimum initialinvestment that will be accepted from a new Limited Partner is $100,000 and the minimum additional investment that will be accepted from an existing Limited Partner is $50,000. The General Partner may raise or lower the minimum investment amounts from time to time and accept Capital Contributions below the established minimums in its sole discretion. Capital Contributions will be credited to the Fund as of the first Business Day of each week or on such other day or days as the General Partner may from time to time determine. Capital Contribution will generally be credited to the Fund on the same Business Day, subject to the requirements as described immediately below. The General Partner may reject any Capital Contribution in its sole discretion.

Capital Contributions made in connection with a subscription of OUSG Limited Partnership Interests must be received by the Fund at or prior to the NAV Update. Capital Contributions made in connection with a subscription of OUSG Limited Partnership Interests received by the Fund after the NAV Update will be considered as a subscription in advance and be credited to the Fund on the following Business Day.

Token Units will generally be issued to the Limited Partner on the Business Day following the Business Day when such Limited Partner’s Capital Contribution is credited to the Fund; *provided* *that*, in the event of any unforeseen technology, system, operational, or blockchain disruption, Token Units may be issued to the Limited Partner on a later Business Day.

Limited Partners may also elect, subject to the General Partner’s discretion, to receive the OUSG Tokens and/or rOUSG Tokens instantly when such Limited Partner makes its Capital Contribution to the Fund, by giving notice of such election to the General Partner through the Investment Manager’s website when subscribing for Token Units directly on-chain (i.e., Instant Mint Election); *provided that*,such Limited Partner may, in the General Partner’s sole discretion, be subject to an Instant Mint Fee as listed on the Investment Manager’s website (and subject to modification in the General Partner’s sole discretion). The Instant Mint Fee shall be paid to the Fund and invested into Investments for the benefit of the Limited Partners.

With respect to an Instant Mint Election made by Limited Partners prior to the NAV Update for a particular Business Day, Limited Partners’ Capital Contributions will be credited to the Fund on the same Business Day as the Instant Mint Election is made. Instant Mint Elections made by Limited Partners at any time after the NAV Update for a Business Day will be treated as an Instant Mint Election on the following Business Day.

The General Partner intends to make a NAV Update for every Business Day in each Fiscal Year but retains, in its sole discretion, the power to determine the frequency of updating the Fund’s net asset value in shorter or longer determination as it so chooses.

The General Partner, in its sole discretion, may waive the Instant Mint Fee with respect to any Limited Partner. If charged, the Instant Mint Fee will be taken directly from such Limited Partner’s Capital Contribution such that the entirety of such Limited Partner’s Capital Contribution may not be invested in any Class Portfolio. Subject to any unforeseen technology, system, operational, or blockchain disruption, the same day issuance of OUSG Tokens and/or rOUSG Tokens cannot be guaranteed. The General Partner will use its best efforts to process and complete a Limited Partner’s Instant Mint Election. Any Instant Mint Election not processed or completed on the same Business Day will be processed and completed on the next possible Business Day

The Fund may, in the General Partner’s sole discretion, accept In-Kind Contributions in lieu of, or in addition to, cash as payment for Interests.

If the General Partner accepts a Limited Partner’s In-Kind Contribution to the Fund, the Fund may, in the General Partner’s discretion, assess a special charge against such Limited Partner equal to the actual costs incurred by the Fund in connection with accepting such In-Kind Contribution, including the costs of liquidating such In-Kind Contribution or otherwise adjusting the Fund’s portfolio to accommodate such investment. **Any Limited Partner who contributes In-Kind Contributions to the Fund should consult with such Limited Partner’s tax advisors as to the tax effect of such contribution.**

Limited Partners should understand and acknowledge that such In-Kind Contributions will be valued as of 11:59 pm UTC on the day immediately preceding the date the In-Kind Contribution is credited to the Fund, in accordance with the General Partner’s valuation policy. Changes in relative value of the Digital Asset(s) against the U.S. dollar will affect the value of the In-Kind Contribution and may result in a Limited Partner’s Capital Account being credited with a higher or lower U.S. dollar value than the U.S. dollar value of the subscription amount set forth in such Limited Partner’s Subscription Documents at the time of execution. Moreover, all of the risks of Digital Assets will thus be borne directly by the Limited Partner during the period from when such In-Kind Contribution is made to the Fund and when the Fund accepts such In-Kind Contribution.

None of the General Partner, the Investment Manager, nor any of their respective affiliates shall be deemed to be a guarantor of the value of any Capital Account or have any liability for the repayment, to any Limited Partner, of any Capital Contribution.

## **WITHDRAWALS & DISTRIBUTIONS**

**Withdrawals of Capital.** Generally, Capital Accounts of Limited Partners may be withdrawn as of the end of any calendar week, upon not less than seven (7) calendar days’ prior written notice to the General Partner. Each date on which Capital Accounts may be withdrawn is herein referred to as a “Withdrawal Date”.

The General Partner, in its sole discretion, may waive any withdrawal requirements or restrictions, in whole or in part, for certain Limited Partners. If the General Partner in its sole discretion permits a Limited Partner to withdraw capital on any date other than a Withdrawal Date, the General Partner may impose an additional administrative fee to cover the legal, accounting, administrative, brokerage, and any other costs and expenses associated with such withdrawal.

**rOUSG Tokens Distributions and Withdrawals.** Solely with respect to Limited Partners holding rOUSG Tokens, the Fund will make regular distributions of Net Income to such Limited Partners by increasing the rOUSG Token balances of all Limited Partners holding such tokens through a rebasing calculation, generally on a daily basis and calculated on the Net Income derived from the OUSG Portfolio, *provided that*, such rebasing calculations of rOUSG Token balances will be done in such manner that the rOUSG Tokens maintain a price of $1 per Token Unit.

Solely with respect to Limited Partners’ withdrawal of their OUSG Interests represented by rOUSG Tokens, the Fund will calculate the withdrawal proceeds based upon a price of $1 per Token Unit of the rOUSG Tokens, *provided that,* the General Partner, in its sole discretion, may change the manner in which the Fund calculates the withdrawal proceeds in the event the price per rOUSG Tokens being withdrawn does not reflect a $1 per Token Unit price.

**Payment of Distribution Proceeds.** Provided that the General Partner has received all necessary documentation, the Fund will distribute proceeds payable to an OSTB and OHYG Limited Partner in connection with a withdrawal in U.S. dollars within thirty (30) calendar days (payment may be made within a shorter time frame, subject to settlement and cash availability) after an authorized Withdrawal Date.

With respect to OUSG Limited Partners, provided that the General Partner has received all necessary documentation, the Fund will distribute proceeds payable to an OUSG Limited Partner in connection with such Limited Partner’s withdrawal in U.S. dollars within seven (7) calendar days after an authorized Withdrawal Date.

The Fund reserves the right to pay any withdrawal request in-kind. If the Fund distributes assets in-kind in satisfaction of a withdrawal request, the General Partner may in its sole discretion, at the request of any Limited Partner and to the extent practicable, hold any such assets in trust or in a liquidating special purpose vehicle, liquidate such securities on the Limited Partner’s behalf, and distribute the proceeds of such distribution (less the costs of any such liquidation) to the Limited Partner. Any such trust or liquidating special purpose vehicle will pay a management fee to the Investment Manager (or its affiliate), calculated and paid in the same manner as the Management Fee, as if such assets remained in the Fund.

**Accelerated Withdrawals.** Subject to the General Partner’s discretion (and available Fund liquidity), Limited Partners may also elect to make same day withdrawals, giving notice to the General Partner of the intent to make a withdrawal and receiving a distribution of withdrawal proceeds on the same authorized Withdrawal Date (i.e., Accelerated Withdrawal Election), *provided that*, such Limited Partner may, in the General Partner’s sole discretion, be subject to an Accelerated Withdrawal Fee, which shall be paid to the Fund and invested in Investments for the benefit of the Limited Partners, subject to the additional requirements and restrictions as described immediately below.

The Accelerated Withdrawal Fee will be calculated at a rate up to a maximum of 0.5% of the Limited Partner’s withdrawal amount on the Accelerated Payment Date. The Accelerated Withdrawal Fee will be listed on the Investment Manager’s website (and subject to modification in the General Partner’s sole discretion). The General Partner may, in its sole discretion, waive the Accelerated Withdrawal Fee with respect to any withdrawing Limited Partners. Same day withdrawals are not guaranteed (and subject to the Fund’s liquidity), and the General Partner will use its best efforts to process and complete a Limited Partner’s Accelerated Withdrawal Election in connection with such Limited Partner’s withdrawal of its Capital Account. Any Accelerated Withdrawal Election not processed or completed on the same authorized Withdrawal Date will be processed and completed on the next following Business Day when such withdrawals can be processed.

Upon a Limited Partner’s Accelerated Withdrawal Election, the Fund will promptly (with respect to each Accelerated Withdrawal Election for a particular Accelerated Payment Date) distribute the withdrawal proceeds payable to such Limited Partner instantly, calculated using the Fund’s net asset value as of the most recent NAV Update.

**Reserves.** The General Partner, in consultation with the Investment Manager, may establish reserves and holdbacks for estimated accrued expenses, liabilities, and contingencies (even if such reserves or holdbacks are not otherwise required by GAAP), which could reduce the amount of a distribution upon withdrawal.

**Suspension of Withdrawals.** The General Partner may suspend withdrawals and/or payments due to OSTB and OHYG Partners in connection with withdrawals for the whole or any part of any period during which the General Partner reasonably determines that: (i) effecting such withdrawals or making such payments would violate securities laws, commodities laws, or other laws, or would result in adverse legal and/or tax consequences; (ii) it is not practicable to accurately ascertain the value of any portion of the assets of the Fund due to factors such as the closure of or the suspension of trading on any exchange or other market on which such assets are usually traded or the break-down in any of the means usually employed by the Investment Manager in ascertaining such value; or (iii) circumstances exist as a result of which it is not reasonably practicable for the Fund to realize on the value of any of its assets; or (iv) effecting such withdrawals or making such payments would have a material adverse effect on the Limited Partners generally. The General Partner may also temporarily suspend withdrawals and/or payments due to OSTB and OHYG Partners in connection with withdrawals in order for the Fund to effect the orderly liquidation of its assets necessary to effect withdrawals. To the extent that a request for withdrawal of capital is not subsequently withdrawn, the withdrawal will generally become effected as of the first Withdrawal Date following the recommencement of withdrawals, on the basis of the OSTB and OHYG Partner’s Capital Account balance at that time. Notwithstanding the foregoing, the General Partner may not suspend withdrawals and/or payments due to OUSG Partners in connection with such Partners’ withdrawal of OUSG Interests.

**Death or Disability of a Limited Partner.** In the event of the death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency, or dissolution of a Limited Partner, the General Partner may, in its sole discretion, at any time after such an event, effect a complete withdrawal of the balance of such Limited Partner’s Capital Account. In connection with the foregoing, in the event that Limited Partnership Interests are represented by Token Units, the General Partner may require a Limited Partner to redeem some or all of its Token Units. Such Limited Partner’s Capital Account shall continue at the risk of the Fund’s business until such complete withdrawal is effected or the earlier termination of the Fund. Payment of the withdrawing Limited Partner’s Capital Account shall be made on the same terms and shall be subject to the same conditions as a complete withdrawal by a Limited Partner of its Capital Account.

**Limited Partner Interest After Notice.** The Interest of a Limited Partner that gives notice of withdrawal shall not be included in calculating the partnership percentages of the Limited Partners required to take any action under the Partnership Agreement.

**General Partner Withdrawals.** The General Partner may withdraw substantially all of its Capital Account at any time, without notice to the Limited Partners; provided that the General Partner may not withdraw capital from the Fund if the General Partner suspends withdrawal rights. Notwithstanding the foregoing, the General Partner may withdraw capital from its Capital Account in the Fund equal to the amount of a previously earned Performance Allocation at any time in the General Partner’s sole and absolute discretion.

**Mandatory Withdrawals.**  The General Partner, in its sole discretion, may require any Limited Partner to withdraw all or any part of its Capital Account at any time and for any reason or no reason at all, such withdrawal to be effective on the date specified in such notice. Under such circumstances, the General Partner will have the irrevocable power to act in the name of such Limited Partner to withdraw its Interest in the Fund. The General Partner has the right to terminate the Fund at any time by the compulsory termination of all Interests. In the case of such termination, the Fund’s assets will be distributed to the Partners as soon as reasonably practical after completion of a final audit of the Fund’s financial statements (which will generally be performed within one hundred and twenty (120) days of the termination of the Fund or as soon thereafter as is reasonably possible).In the event that Limited Partnership Interests are represented by Token Units, the General Partner, in its sole discretion, may require a Limited Partner to redeem some or all of its Token Units at any time and for any reason or no reason at all, such redemption to be effective on the date specified in such notice.

## **BROKERAGE AND CUSTODY**

The Fund intends to make certain Investments that will be privately placed without the use of a broker. In the event the Fund makes any Investments that are not privately placed, such investment securities of the Fund will be purchased and sold through U.S. and non-U.S. brokerage firms. The Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, may choose the broker or dealer through which purchases or sales of securities for the Fund are made, without the consent of the Limited Partners.

With respect to the Fund’s direct Investments, the Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, are responsible for the placement of the portfolio transactions of the Fund and the negotiation of any commissions paid on such transactions. Purchases of portfolio instruments through brokers involve a commission to the broker. Securities transactions are executed by brokers selected by the Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, and without the consent of the Fund.

In placing any portfolio transactions, the Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, will seek to obtain the best execution for the Fund, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker; (iv) the quality, comprehensiveness and frequency of available research services considered to be of value; and (v) the competitiveness of commission rates in comparison with other brokers satisfying the Investment Manager’s other selection criteria.

Under such arrangements, the Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, are authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if the Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, determine such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific products; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. The Investment Manager and/or the Sub-Advisors are not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required to be performed by the Investment Manager and/or the Sub-Advisors, and the Sub-Advisors’ fee would not be reduced as a consequence of the receipt of such supplemental research information. Research services provided by broker-dealers used by the Fund may be utilized by the Investment Manager and/or the Sub-Advisors or its affiliates in connection with its investment services for other accounts, and likewise, research services provided by broker-dealers used for transactions of other accounts may be utilized by the Investment Manager and/or the Sub-Advisors in performing its services for the Fund. Since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Investment Manager and/or Sub-Advisors creates a conflict of interest between the Investment Manager and the Sub-Advisors on one hand and the Fund on the other hand, because the Fund pays for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of the Investment Manager and/or the Sub-Advisors. To the extent that the Investment Manager and/or the Sub-Advisors are able to acquire these products and services without expending its own resources (including the Management Fee paid by the Fund), the Investment Manager’s and/or the Sub-Advisors’ use of “soft-dollars” would tend to increase the Investment Manager’s and/or the Sub-Advisors’ profitability. In addition, the availability of these non-monetary benefits may influence the Investment Manager and/or the Sub-Advisors to select one broker rather than another to perform services for the Fund. The Partnership Agreement specifically authorizes these practices to the fullest extent permitted by law.

Notwithstanding the above, all “soft dollar” arrangements, if any, will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), as that safe harbor is currently interpreted by the Securities and Exchange Commission.

The Investment Manager maintains custody of the Fund’s Digital Assets utilizing proprietary storage methods developed by the Investment Manager and its affiliates. A single type of Digital Asset held by the Fund may be custodied or secured in different ways and different types of Digital Assets may have different custody or security arrangements. The Investment Manager shall not be limited in any way from utilizing Digital Asset custody standards and practices that may exist in the future. The Investment Manager retains the right to use any Third Party Custodian in the future as firms and Digital Asset custody standards begin to develop. The systems and methodologies of the proprietary storage method utilized by the Fund may be subject to exposure from hacking, malware, and general security threats. The Investment Manager is not liable to the Fund or to Limited Partners for the failure or penetration of the security system absent fraud, willful misconduct, or gross negligence.

The Investment Manager and/or the Sub-Advisors, in consultation with the Investment Manager, may change custodians, or change or add prime brokers without notice to the Limited Partners.

## **ADMINISTRATOR**

NAV Consulting, Inc. (the “Administrator” or “NAV”) has been engaged as the administrator of the Fund pursuant to a Service Agreement entered into with the Fund (the “NAV Agreement”). The Administrator is responsible for, among other things, calculating the Fund’s net asset value, performing certain other accounting, back-office, data processing, processing subscriptions, redemptions and transfer activities of Limited Partners in the Fund, certain anti-money laundering functions and related administrative services (the “Services”).

The NAV Agreement provides that the Administrator shall not be liable to the Fund, any Limited Partner or any other person in absence of finding of willful misconduct, gross negligence, or fraud on the part of NAV. Furthermore, Fund shall indemnify, defend and hold harmless the Administrator, its affiliates, and their respective officers, directors, shareholders, investors, employees, agents and representatives and their successors and assigns (collectively, the “NAV Parties”) from and against any liability, damages, claims, loss, cost or expense, including, without limitation, reasonable legal fees and expenses (individually, “Loss” and collectively, “Losses”) arising from, related to, or in connection with the services provided to the Fund pursuant to the NAV Agreement, including but not limited to any Losses asserted by Limited Partners or other third parties, unless any such Losses are the direct result of the willful misconduct, gross negligence or fraud of NAV. In no event shall NAV have any liability to the Fund, any Limited Partner or any other person or entity which seeks to recover alleged damages or losses in excess of the fees paid to NAV by the Fund in the one year preceding the occurrence of any loss, nor shall NAV be liable for any indirect, incidental, consequential, collateral, exemplary or punitive damages, including lost profits, revenue or data, regardless of the form of the action or the theory of recovery, even if NAV has been advised of the possibility of such damages or losses.

NAV shall not be liable to the Fund, any Limited Partner or any other person for actions or omissions made in reliance on instructions from the Fund or advice of legal counsel.

The services provided by NAV are purely administrative in nature. NAV has no responsibilities or obligations other than the services specifically listed in the NAV Agreement. No assumed or implied legal or fiduciary duties or services are accepted by or shall be asserted against NAV. NAV does not provide tax, legal or investment advice. NAV has no duty to communicate with Limited Partner other than as set forth in Exhibit A of the NAV Agreement. NAV does not have custody of Fund’s assets, it does not verify the existence of, nor does it perform any due diligence on the Fund’s underlying investments.

The NAV Agreement also provides that it is the obligation of the Fund’s management, and not of NAV, to review, monitor or otherwise ensure compliance by the Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund’s offering documents, including, without limitation, with its valuation policy or the Fund’s stated investment strategy, and with laws and regulations applicable to its activities. The Fund’s management’s responsibility for the management of the Fund, including without limitation, the valuation of the Fund’s assets and liabilities, including, defining and maintaining the valuation policy and for fair valuing the Fund’s assets, the oversight of the services provided by NAV and the review of work product delivered by NAV shall not be affected by or limited by any of the services provided by NAV.

The NAV Agreement provides that NAV is entitled to rely on any information, including valuation information, received by NAV from the Fund, the Fund’s management or other parties, including without limitation, broker-dealers and data vendors, without independent verification, audit, review, inquiry, or performing other due diligence and NAV shall not be liable to the Fund, any Limited Partner or any other persons for losses suffered as a result of NAV relying on incorrect information. NAV has no responsibility to review, independently value, verify, compare to other pricing sources or otherwise perform due diligence on the valuation information. NAV may accept such information as accurate and complete without independent verification. Furthermore, NAV shall not be liable to the Fund, any Limited Partner or any other person for any loss incurred as a result of an error or inaccuracy of any valuation information received from the Fund or from any pricing or valuation service or data service provider or delay, interruption in service or failure to perform of any pricing or valuation service or data service provider used by NAV.

Where the Fund makes investments via related entities, to produce net asset value calculation, NAV will use the valuation information of such intermediate, related entities. The valuation information of the intermediate, related entities may be provided by the Fund’s manager or the manager of the intermediate, related entities. NAV is not responsible for performing any due diligence on any of the Fund’s investments, including, the intermediate, related entities and for verifying the existence of the end investments. The Fund is responsible for the completeness of records, documents and information provided to NAV to perform the Services.

The Fund acknowledges the challenges in performing Services for investments in cryptocurrency due to the nature of this asset class, including its anonymity and opaqueness among other factors. Due to these factors and the fact that cryptocurrency is in the early stages in its life, NAV may not have independent access to information in the same manner as it does for traditional assets and has to rely on the information provided by the management of the Fund.

The Fund agrees that NAV has no responsibility to verify, confirm or validate the existence, ownership or control of any cryptocurrency asset held by the Fund. To determine Fund’s positions in cryptocurrency in connection with the Services, NAV will rely on the Fund’s management representations about said positions. The representation by the Fund’s management NAV is entitled to rely on, includes, without limitation, the position information of: 1. cryptocurrency held in cold wallet, in the Fund’s exchange account, or in the Fund’s account with cryptocurrency custodian, 2. the initial coin offerings (“ICOs”), 3. cryptocurrency traded over-the-counter, 4. cryptocurrency received due to forks, airdrops or similar transactions, and 5. cryptocurrency acquired from Fund’s mining. If the Fund holds the cryptocurrency in cold wallet, NAV may confirm the amount of cryptocurrency reported on the respective blockchain for the public key of the Fund, provided that given cryptocurrency has a public blockchain and a public key to such blockchain was given by the Fund or its Fund’s management to NAV. Having said that, the Fund acknowledges that it is not possible for NAV to determine whether a public key belongs to the Fund. Provided that NAV receives read only access or read only API access, NAV may also confirm Fund’s holdings based on the information apparent via such read only access or read only API access to the Fund’s exchange accounts or Fund’s accounts hosted by cryptocurrency custodians. Having said that, the Fund acknowledges that it is not possible for NAV to determine whether the API key belongs to the Fund. Shall the Fund engage in investing in the ICOs, the holdings in the ICOs and pre-sales may not be visible to NAV between the time of funding and the closing of the ICO. Accordingly, to perform the Services, for the holdings in the ICOs and pre-sales, NAV will rely solely on the Fund’s management representations regarding said positions. NAV may rely on the trade confirmations received from the Fund’s management’s and other counterparties for the OTC transactions. Shall the Fund engage in mining of cryptocurrency, NAV will not independently verify or otherwise perform any due diligence to determine that the cryptocurrencies acquired from mining were actually obtained as a result of Fund’s mining activity and not from any other source. The Fund may receive assets due to forks, airdrop or similar transactions. NAV will not verify these transactions independently, but will rely solely on the information provided by the General Partner for these transactions. NAV may include in the Fund’s net asset value assets due to forks, airdrops and similar transactions based on the Fund’s management representations, even though, these assets may not be reported by the exchanges in the Fund’s exchange accounts or wallets. The assets due to forks, airdrops and similar transactions may be allocated to the Fund’s exchange or wallet accounts with delays, however, there is a possibility that the Fund may not receive these assets during the Fund’s lifetime. The Fund acknowledges and agrees that NAV will not be required to independently ascertain, confirm nor verify the accuracy of the representations, confirmations and other information relied on by NAV discussed in this paragraph in performing the Services. NAV shall not be liable to the Fund, Limited Partners or any other persons for losses suffered as a result of NAV’s reliance on the aforementioned representations and other information relied.

The Fund acknowledges challenges in obtaining valuation information for Digital Assets. To provide the Services, NAV will rely on prices published by the cryptocurrency exchanges. Each cryptocurrency may be traded on various cryptocurrency exchanges and there may be significant variations between the prices of the same cryptocurrency traded on different cryptocurrency exchanges. NAV will rely on the Fund’s management to select the exchange to be used as a source for valuation of each cryptocurrency and to decide what valuation point to use. Before being listed on an exchange, any ICOs and cryptocurrency acquired from Fund’s mining activities will be priced at cost or fair value as determined by the Fund’s management. The cost of mining shall be determined by the Fund’s management. The Fund acknowledges and agrees that NAV has no responsibility to independently verify or otherwise perform any due diligence on the cost of mining valuations. Once an ICO is listed on an exchange, NAV will rely on the Fund’s management to select the source exchange and will use the prices published on that exchange. The Fund acknowledges and agrees that NAV has no responsibility to review, independently value, verify, compare to other pricing sources or otherwise perform due diligence on the cryptocurrency valuation information and makes no representations or warranties with respect to its accuracy. The Fund agrees that it is the responsibility of the management of the Fund, and not NAV, to verify whether the exchanges selected by the Fund’s management as a valuation source or used for trading are operating lawfully, including, whether they are required to be register with a regulator or whether they are registered.

The Service Agreement provides that the Services, including the anti-money laundering services provided by NAV, do not encompass monitoring of Fund’s trading activity for the purposes of detecting or preventing money laundering. NAV is not responsible for monitoring transactions effected by the Fund’s management to ensure compliance with the applicable AML laws and regulations. NAV does not monitor Fund’s trading activities for the purposes of assuring compliance with OFAC Sanctions programs. For avoidance of doubt, for the purposes of this paragraph, trading shall include acquisition of cryptocurrency from mining, forks, airdrop and similar transactions or participating in an ICO. In addition, shall the Fund accept the payments for subscriptions or redemptions in-kind in cryptocurrency, the Fund acknowledges that NAV is not able to confirm, verify, or ascertain the source of in-kind payments in cryptocurrency due to the anonymity of cryptocurrency and the Fund agrees that NAV shall not be responsible for monitoring such transactions for the purposes of detecting or preventing money laundering.

The information on investor statements and other reports produced by NAV shall not be considered an offer to sell or a solicitation of an offer to purchase any interest in the Fund, nor may it be used to induce or recommend the purchase or holding of any interest in the Fund.

The NAV Agreement bars non-parties from asserting third party beneficiary claims against NAV.

The Fund pays NAV fees out of the Fund’s assets, generally based upon the size of the Fund, in accordance with NAV’s standard schedule for providing similar services, subject to a monthly minimum.

Either party may terminate the NAV Agreement on 90 days’ prior written notice as well as on the occurrence of certain events.

Limited Partners may review the NAV Agreements by contacting the Fund; provided, that NAV reserves the right not to disclose the fees payable thereunder.

NAV is not responsible for the preparation of this Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in any other section of this Memorandum.

## **TOKENIZER**

In the event that Limited Partnership Interests are represented by Token Units, Ondo Finance Inc., a Delaware corporation and the parent company of the General Partner and Investment Manager, will provide such tokenization services with respect to the Token Units (the “Tokenizer”) pursuant to a tokenization services agreement (the “Tokenization Services Agreement”) between the Fund and the Tokenizer. Such tokenization services may include (but are not limited to) (i) deploying the smart contract(s) for minting, issuing and administering the Token Units on a public blockchain to be determined by the Fund, (ii) minting the Token Units, (iii) delivering the Token Units (i.e. in connection with a subscription to the Fund) on such dates and in such amounts as instructed by the General Partner on behalf of the Fund, (iv) receiving and/or cancelling the Token Units (including in connection with a redemption from the Fund) on such dates and in such amounts as instructed by the General Partner on behalf of the Fund, (v) investigating and, to the extent reasonably practicable, addressing unauthorized use of the Token Units if and as reasonably requested by the Fund, (vi) upgrading the smart contracts for minting, issuing and administering the Token Units if and as reasonably requested by the Fund and (vii) taking such actions with respect to the Token Units as reasonably requested or required by the Fund or governmental authorities.

## **TAX CONSIDERATIONS**

Certain U.S. Federal Income Tax Considerations

This summary generally outlines certain U.S. Federal income tax principles that may apply to the Fund and the investors, given the anticipated nature of the Fund’s activities. The actual tax and financial consequences of the purchase and ownership of an Interest in the Fund will vary depending upon the investor’s circumstances.

The discussion of U.S. Federal income tax matters contained herein is based on existing law as contained in the U.S. Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury regulations, administrative rulings and court decisions, all as available and in effect as of the date of this Memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not modify the conclusions set forth in this summary, possibly with retroactive effect.

Because the nature of the Fund’s investments is not fully known at the time of this Memorandum, it is not possible to address the specific tax consequences of the Fund’s investments. Accordingly, the following discussion is intended as a general guide only.

**Each investor should consult with and rely on its own independent tax counsel as to the U.S. Federal income tax consequences of an investment in the Fund based on its particular circumstances, as well as to applicable state, local, or non-United States tax laws.**

**Partnership Status.** The Fund expects to be treated as a partnership for U.S. Federal income tax purposes.

**Token Units**. Although the matter is not free from doubt, the Fund intends to treat Token Units as Limited Partnership Interests for U.S. federal income tax purposes.

**Publicly Traded Partnership.** Under Section 7704 of the Code, “publicly traded partnerships” (“PTPs”) are generally treated as corporations for Federal income tax purposes. A PTP is any partnership where the interests in which are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund will not be traded on an established securities market. The IRS has issued regulations (the “PTP Regulations”) providing certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent thereof). The Fund is not expected to qualify under any available safe harbor set forth in the PTP Regulations. Accordingly, the Fund may be deemed to constitute a PTP. However, it should be noted that under an exception provided in Section 7704(c) of the Code, a PTP is not treated as a corporation for U.S. federal tax purposes if ninety percent or more of its gross income consists of “qualifying income.” For this purpose, qualifying income includes, among other items, interest, dividends and gains from the sale or disposition of a capital asset held to produce such income. The Fund intends to operate in a manner that will allow it to qualify under the exception provided in Section 7704(c) of the Code such that it will not be treated as a corporation under PTP Regulations. Please see directly below regarding the material adverse consequences that could result in the event that the Fund is not able to satisfy the foregoing exception.

**Consequences of Treatment as an Association Taxable as a Corporation.** If, for any reason, the Fund were to be treated as an association taxable as a corporation (including if the Fund were to be treated as a publicly traded partnership as discussed above, without being able to satisfy the exception set forth in Section 7704(c) of the Code), material adverse consequences for Limited Partners investing in the Fund would result. In particular, the Fund would be subject to U.S. Federal income tax (at corporate tax rates) on its income, without any deduction for distributions made to its beneficial owners, thereby potentially reducing materially the amount of cash available for distribution. In addition, capital gains and losses and other income and deductions of the Fund would not be passed through to its beneficial owners, the owners would be treated as shareholders for U.S. Federal income tax purposes and distributions to the owners (to the extent of current or accumulated earnings and profits) would be treated as a taxable dividend, resulting in taxable income for partners subject to U.S. tax (and withholding tax with respect to non-U.S. partners). Additionally, if the Fund were to be treated as an association taxable as a corporation, all distributions by the Fund would be treated for U.S. Federal income tax purposes as dividends, return of capital or capital gain.

The remainder of this discussion assumes that the Fund will be treated as a partnership that is not a publicly traded partnership treated as a corporation for U.S. Federal income tax purposes (in which case the Fund itself would not be subject to U.S. Federal income tax).

U.S. Investors

**General.** The discussion in this section outlines certain U.S. Federal income and other tax principles that may apply to the Fund and to the investors that are United States persons for U.S. Federal income tax purposes (each, a “U.S. Investor”), given the anticipated nature of the Fund’s activities. Except where specifically addressing considerations applicable to tax-exempt investors, the discussion assumes that each U.S. Investor is a U.S. citizen or resident individual or a U.S. domestic corporation that is not tax-exempt. In some cases, the activities of a U.S. Investor other than its investment in the Fund may affect the tax consequences to such investor of an investment in the Fund. This discussion does not deal with all tax considerations that may be relevant to specific investors in light of their particular circumstances and does not address the tax consequences of persons investing in the Fund through a partnership or other pass-through entity for U.S. Federal income tax purposes, of partnerships or other pass-through entities that invest in the Fund, or the application of state, local or U.S. Federal estate taxes to an investment in the Fund. This discussion also does not address any U.S. federal estate, gift, or other non-income tax consequences, any alternative minimum tax consequences or any state, local, or non-U.S. tax consequences.

Each U.S. Investor will be required to report on its U.S. Federal income tax return, and thus to take into account, in determining its U.S. Federal income tax liability, its share of the Fund’s items of income, gain, loss, deduction and credit for the taxable year ending within or with such investor’s taxable year, generally as if these items had been recognized directly by that investor. A U.S. Investor will be taxable on its share of the income of the Fund without regard to whether the Fund makes a corresponding distribution of property to such investor. In addition, certain investments held by the Fund may give rise to income subject to U.S. Federal income tax even though there has been no corresponding receipt of money or property by the Fund. Accordingly, a U.S. Investor’s tax liability related to its Interest in the Fund could exceed the amounts distributed to such investor in a particular year.

**Allocations of Partnership Income and Losses.** Under the Partnership Agreement, the Fund’s net capital appreciation or net capital depreciation for each accounting period is allocated among the Partners 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 Partnership Agreement provides that items of income, deduction, gain, loss or credit actually recognized by the Fund for each Fiscal Year generally are to be allocated for income tax purposes among the Partners 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 Partner’s capital account for the current and prior Fiscal Years.

Allocations of partnership income and losses are valid under applicable U.S. Treasury regulations if they meet the “substantial economic effect” test or are made in accordance with a partner’s interest in the Fund. The General Partner believes that the Fund’s method of allocating income and losses to the Partners under the Partnership Agreement complies with these regulations. However, the U.S. Treasury regulations are complex and lack significant administrative and/or judicial interpretation. There can be no assurance that the regulations would not be interpreted by the IRS in a manner materially adverse to the Partners. If the allocations provided in the Partnership Agreement are not accepted by the IRS, the amount of income or loss, if any, allocated to any Partner for Federal income tax purposes may be increased or reduced.

In addition, under the Partnership Agreement, in the event a Partner withdraws all or part of its capital account from the Fund, the General Partner, in its sole discretion, may make a special allocation to such Partner for Federal income tax purposes of taxable capital gains and losses (including short term capital gains and losses) and ordinary income and losses recognized by the Fund in such manner as will reduce the amount, if any, by which such Partner’s capital account (as adjusted under the Partnership Agreement) differs from its U.S. Federal income tax basis in its interest before such allocation. This could result in some acceleration of taxable income if the withdrawal is close to the end of a taxable year and could also result in the withdrawing Partner being taxed at ordinary income rates on some or all of the amounts that would otherwise be taxed at favorable long-term capital gain rates. There can be no assurance that the IRS will not challenge such an allocation, in which case the remaining Partners could be considered to have underreported income and gains for the year for which the allocation was made and the Fund and those Partners could be subject to additional taxes as well as interest and penalties.

**Investments in Derivatives and Hedging Transactions.** The Fund may invest in, hold and trade derivative instruments, the proper tax treatment of which may not be entirely free from doubt, and engage in hedging transactions. These positions may be subject to special provisions of the Code that, among other things, may defer the recognition of (or require capitalization of) losses and expenses or affect the determination of whether gains and losses are characterized as capital or ordinary or treated as long-term or short-term. U.S. Investors will be required to treat any such derivatives for U.S. Federal income tax purposes in the same manner as they are treated by the Fund. In addition, the U.S. Treasury Department has issued proposed regulations that affect the timing and character of contingent non-periodic payments on notional principal contracts. If finalized in their current form, these regulations could affect the tax treatment of payments on derivatives treated as notional principal contracts. Potential U.S. Investors should consult their tax advisors regarding an investment in a fund that invests and trades in derivatives.

**Original Issue Discount.** In the event that the Fund holds or purchases debt instruments that are issued with original issue discount this will be includible in the taxable income of U.S. Investors in each year that the Fund owns such debt instruments. The rules concerning original issue discount (Sections 1271-1275 of the Code) are complex, and a complete discussion of such rules is beyond the scope of this summary. Generally, the term original issue discount means the excess of the stated redemption price at maturity of the debt obligation (i.e., all payments due under the debt obligation other than payments of stated interest meeting certain requirements) over its issue price. Generally, the amount of original issue discount required to be included in the gross income of the U.S. Investors in a taxable year will equal the sum of the daily portions of original issue discount for each day during the taxable year in which the Fund holds such debt instruments. A U.S. Investor generally will be required to include in income its allocable share of the amount of original issue discount accrued, on a constant-yield basis, with respect to a debt obligation held by the Fund.

**Market Discount.** In the event that the Fund purchases a debt instrument (“Note”), other than a note issued with original issue discount (“Discount Note”), for an amount that is less than its stated redemption price at maturity or, in the case of a Discount Note, for an amount that is less than its adjusted issue price as of the purchase date, the Fund will be treated as having purchased the note at a market discount, unless such market discount is less than a specified de minimis amount.

Under the market discount rules, the Fund will be required to treat any partial principal (or, in the case of a Discount Note, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a note as ordinary income to the extent of the lesser of: (a) the amount of such payment or realized gain; and (b) the market discount which has not previously been included in income and is treated as having accrued on the note at the time of such payment or disposition. Market discount generally will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the note, unless the Fund elects to accrue market discount on the basis of a constant interest rate.

The Fund may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a note with market discount until the maturity of the note or certain earlier dispositions, because a current deduction is allowed only to the extent the interest expense exceeds an allocable portion of market discount. The Fund may elect to include market discount in income currently as it accrues (on either a ratable or a constant interest rate basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the note and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest. Such an election will apply to all market discount debt instruments acquired by the Fund on or after the first day of the taxable year to which such election applies and may be revoked only with the consent of the IRS.

**Amortizable Bond Premium.** In the event that the Fund purchases a bond at a cost that, generally, is in excess of the amount payable on maturity, the excess may constitute amortizable bond premium which is treated as a reduction of interest on such bond. If the Fund makes an election under Section 171 of the Code, the Fund generally will allocate amortizable bond premium among the interest payments on the bond and the amount so allocated generally will be applied against (and operate to reduce) the amount of such interest payments.

**Cash Distributions.** Cash received from the Fund by a U.S. Investor as a distribution with respect to such Partner’s Interest generally is not reportable as taxable income by the U.S. Investor, except as described below. Rather, such distribution will reduce (but not below zero) the total U.S. Federal income tax basis of the Interest held by the U.S. Investor after the distribution. Any cash distribution in excess of a U.S. Investor’s adjusted U.S. federal income tax basis for its Interest will be taxable to it as gain from the sale or exchange of such Interest. Because a U.S. Investor’s U.S. federal income tax basis in its Interest is not increased on account of its distributive share of the Fund’s income until the end of the Fund’s taxable year, distributions during the taxable year could result in taxable gain to a U.S. Investor even though no gain would result if the same distributions were made at the end of the taxable year. Furthermore, the share of the Fund’s income allocable to a U.S. Investor at the end of the Fund’s taxable year would also be includible in the U.S. Investor’s taxable income and would increase its tax basis in its remaining Interest as of the end of such taxable year.

**Distributions In-Kind.** The Fund may pay withdrawal proceeds in-kind rather than in cash. In general, a U.S. Investor will not recognize gain or loss on the distribution of property (other than cash and, unless a special exception provided for “investment partnerships” applies, marketable securities) and the U.S. federal income tax basis of any property generally will be the same as the Fund’s U.S. federal income tax basis but not in excess of the U.S. Investor’s adjusted U.S. federal income tax basis for its Interest, reduced by any cash distributed in the transaction. A U.S. Investor who receives an in-kind distribution of property in liquidation of its Interest will have a basis in such property equal to such U.S. Investor’s adjusted basis in its Interest, reduced by any cash distributed in the transaction.

**Fund Distributions and Disposition Proceeds.** A U.S. Investor receiving a liquidating distribution of cash from the Fund (as well as marketable securities, unless a special exception provided for “investment partnerships” applies) will generally recognize capital gain or loss to the extent of the difference between the proceeds received by such investor and such investor’s adjusted U.S. federal income tax basis in its Interest in the Fund (except to the extent that such gain or loss is characterized as ordinary under the rules set forth in Section 751 of the Code, which applies to the extent a partnership’s assets include appreciated inventory, receivables and certain other “hot assets”). A U.S. Investor receiving a non-liquidating distribution of cash (or marketable securities, subject to the exception noted above for investment partnerships) will recognize income in a similar manner but will not recognize loss. A U.S. Investor receiving a liquidating or non-liquidating distribution of property other than cash or marketable securities will generally recognize neither gain nor loss (except to the extent otherwise required under Section 751 of the Code). Gain or loss on the sale or exchange of a U.S. Investor’s Interest in the Fund will generally be taxable as capital gain or loss (except to the extent otherwise required under Section 751 of the Code).

**Limitations on the Deductibility of Losses and Expenses.** The Fund may recognize expenses, the deductibility of which may be limited based on whether the Fund is characterized as a “trader” or “investor”. In general, traders engage in a “trade or business” of buying and selling securities for their own accounts to take advantage of short-term price changes while investors buy securities for longer-term appreciation. Whether the Fund is a “trader” or an “investor” is not determined by a specific formula or set of objective criteria; it depends on an analysis of all the facts and circumstances involved in one’s activities, taken as a whole. This characterization will affect, among other things, the extent to which Limited Partners may deduct certain items of Fund expense for Federal income tax purposes. The Fund generally expects to hold many of its investments long enough to cause a portion of its realized gains to be long-term in character. However, the Fund may engage in significant short-term investment activities as well, which may involve significant turnover. As a result of the potential differences in the Fund’s activities from year to year, it is not possible to predict accurately whether, in any given tax year, the Fund will be considered a “trader” or an “investor”. In years in which the Fund is treated as a “trader”, each Limited Partner should be allowed fully to deduct its allocable share of the ordinary and necessary expenses incurred by the Fund in connection with the Fund’s “trade or business”, including management expenses. If the Fund is treated as an “investor” for any year, individual Limited Partners will not be entitled to deduct their shares of the Fund’s investment expenses.

In addition, various other provisions of the Code may apply to restrict the deductibility of capital and ordinary losses realized, or expenses incurred, by the Fund. For example, the ability of a U.S. Investor who is an individual to deduct its share of expenses (other than interest expenses) of the Fund, as well as all of or a portion of the U.S. Investor’s share of management fee payments, will be subject to the limitations on the deductibility of “miscellaneous itemized deductions”. The ability of U.S. Investors (other than widely held corporations) to deduct their shares of any losses attributable to the Fund may be subject to the “passive activity loss” limitations and the “at risk” limitations of the Code.

Section 163(d) of the Code disallows a non-corporate taxpayer’s deduction for “investment interest” in excess of “net investment income”, as those terms are defined in Section 163(d). This limitation could apply to limit the deductibility of a non-corporate U.S. Investor’s share of any interest paid by the Fund, as well as the deductibility of interest paid by a non-corporate U.S. Investor on indebtedness incurred to finance its indirect investment in the Fund. Additionally, Section 704(d) of the Code prohibits a partner from claiming partnership losses in excess of the partner’s adjusted U.S. federal income tax basis in its partnership interest. This limitation will apply to both individual and corporate U.S. Investors.

Syndication expenses that are attributable to the offering and sale of Interests in the Fund must be capitalized and added to the U.S. Investor’s U.S. federal income tax basis in its Interest in the Fund (and hence, cannot be deducted or amortized). Other organizational expenses of the Fund must generally also be capitalized but may be amortized over a one hundred and eighty (180) month period.

The current maximum tax rates for ordinary income for individuals and the maximum individual long-term capital gains tax may be increased in the coming years. The maximum individual tax rate may expire, in which case all dividends would be subject to regular ordinary income tax rates. In addition, individuals, estates and trusts will be subject to a Medicare tax of 3.8% on “net investment income” (or undistributed “net investment income”, 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. It is anticipated that net income and gain attributable to an investment in the Fund will be included in a Limited Partner’s “net investment income” subject to this Medicare tax. It is impossible to predict how the changes in the tax regulations will affect the tax liability of individual investors, and investors should consult their own tax advisors regarding the possible implications of future tax legislation on their investments in the Fund.

**Section 1256 Contracts.** The General Partner does not currently expect the Fund’s investments to be deemed “Section 1256 Contracts” under the Code. However, in the case of Section 1256 Contracts, the Code generally applies a “mark-to-market” system of taxing unrealized gains and losses on such contracts and otherwise provides for special rules of taxation. A Section 1256 Contract includes certain regulated futures contracts and certain other contracts. Under these rules, Section 1256 Contracts held by the Fund at the end of each taxable year of the Fund are treated for Federal income tax purposes as if they were sold by the Fund for their fair market value on the last business day of such taxable year. The net gain or loss, if any, resulting from such deemed sales (known as “marking to market”), together with any gain or loss resulting from actual sales of Section 1256 Contracts, must be taken into account by the Fund in computing its taxable income for such year. If a Section 1256 Contract held by the Fund at the end of a taxable year is sold in the following year, the amount of any gain or loss realized on such sale will be adjusted to reflect the gain or loss previously taken into account under the “mark-to-market” rules.

With certain exceptions, capital gains and losses from such Section 1256 Contracts generally are characterized as short-term capital gains or losses to the extent of forty percent (40%) thereof and as long-term capital gains or losses to the extent of sixty percent (60%) thereof. If an individual taxpayer incurs a net capital loss for a year, the portion thereof, if any, which consists of a net loss on Section 1256 Contracts may, at the election of the taxpayer, be carried back three years. Losses so carried back may be deducted only against net capital gain to the extent that such gain includes gains on Section 1256 Contracts. A Section 1256 Contract does not include any “securities futures contract” or any option on such a contract, other than a “dealer securities futures contract”.

**Section 988 Transactions.** Certain of the trading activities of the Fund could be “Section 988 transactions”. Section 988 transactions include entering into or acquiring any forward contract, futures contract, or similar instrument if the amount paid or received is denominated in terms of a nonfunctional currency or is determined by reference to the value of one or more nonfunctional currencies. In general, foreign currency gain or loss on Section 988 transactions is characterized as ordinary income or loss except that gain or loss on unregulated futures contracts or non-equity options on foreign currencies which are Section 1256 contracts is characterized as capital gain or loss. If the Fund engages in Section 988 transactions which are not Section 1256 contracts of the type described in the preceding sentence and if the Fund is otherwise eligible, the General Partner may elect to have the Fund be treated as a qualified fund. If the Fund so elects but fails to meet the requirements of electing qualified fund status in a taxable year, (i) a net loss recognized by the Fund in such taxable year with respect to all forward contracts, futures contracts, and options with respect to foreign currency trades by the Fund will be characterized as a capital loss, and (ii) a net gain recognized by the Fund in such taxable year with respect to certain contracts will be characterized as ordinary income.

Special Considerations for Tax-Exempt Investors

Organizations that are otherwise exempt from Federal income taxation, such as qualified pension, profit-sharing and stock bonus plans, individual retirement accounts, educational institutions and other tax-exempt entities (“Tax-Exempt Investors”) may be subject to tax on a part of their share of Fund income, depending on the extent to which that income is characterized as UBTI. Receipt of UBTI may subject charitable remainder trusts to severe income tax consequences, including subjecting all of their UBTI to a one hundred (100%) tax. When computing UBTI, a Tax-Exempt Investor must include its share of income of any partnership of which it is a partner to the extent that such income would be UBTI if earned directly by the Tax-Exempt Investor. UBTI generally does not include dividends, interest, royalties or gains from the sale, exchange or other disposition of property (other than inventory or property held primarily for sale to customers in the ordinary course of a trade or business, such as the trade or business of a dealer). In addition, UBTI includes “unrelated debt-financed income”, which is generally defined as any income derived from property with respect to which “acquisition indebtedness” has been incurred, even if the income would otherwise be excluded in computing UBTI.

The Fund may engage in transactions resulting in the recognition of UBTI, including as a result of income in exchange for the performance of services and gains viewed as reflecting trade or business activities, such as the sale of inventory or property held for sale to customers in the ordinary course of business. Thus, Tax-Exempt Investors may realize UBTI as a consequence of an investment in the Fund. In addition, while the Fund expects that a substantial portion of its income may consist of interest, and gains from the sale or exchange of capital assets, the exclusion from UBTI for these items will not apply to the extent that any Tax-Exempt Investor incurs “acquisition indebtedness” with respect to its investment in the Fund or if the Fund incurs “acquisition indebtedness” with respect to their investments.

In view of the potential for UBTI, the Fund may not be a suitable investment for some Tax-Exempt Investors.

Additional U.S. Tax Considerations

**Adjustments to Basis of Assets.** The Fund may make an election to adjust the U.S. federal income tax basis of the assets of the Fund in connection with a transfer of an Interest in the Fund and certain distributions by the Fund. Because of the accounting complexities that can result from having such an election in effect, and because the election, once made, cannot be revoked without the consent of the IRS, the General Partner currently does not intend to make this election. A partnership is generally required, under certain circumstances, to reduce the basis of its assets in connection with certain transfers of interests in a partnership and certain distributions by a partnership. The Fund may qualify for an exemption from this requirement in connection with transfers of Interests, but there can be no assurance in this regard. If the Fund were to qualify for and elect this exemption, a transferee’s share of losses from the Fund would generally be disallowed until they exceeded any loss recognized by the transferor (or prior transferors) on the transfer of the Interest in the Fund.

**Information Returns and Schedules.** The Fund will provide information on Schedule K-1 (or equivalent) to U.S. Investors as soon as reasonably practicable following the close of the Fund’s taxable year. The Fund may not be able to provide this information before April 15. As a result, U.S. Investors may need to apply for an extension of time to file their U.S. income tax returns.

**Audits.** The General Partner 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 IRS disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Partners are required under the Code to treat the partnership items consistently on their own returns, unless they file a statement with the IRS disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the IRS 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 IRS, the tax treatment of income and deductions of the Fund generally will be determined at the Fund level in a single proceeding, rather than by individual audits of the U.S. Investors. The General Partner has been appointed as partnership representative, with the authority to determine the Fund’s response to an audit. The General Partner has discretion to cause tax liabilities resulting from final audit adjustments to be made at the Partner or at the Fund level. Such actions could cause Limited Partners to be subject to higher rates of interest on tax underpayments resulting from an audit. Each Limited Partner must agree to provide promptly, and to update as necessary at any times requested by the General Partner, all information, documents, self-certifications, tax identification numbers, tax forms, and verifications thereof, that the General Partner deems necessary generally in connection with (1) certain elections by the Fund relating to audits of the Fund, and (2) an audit or a final adjustment of the Fund by a taxing authority. Each Partner covenants and agrees to take any action reasonably requested by the Fund in connection with an audit or a final adjustment of the Fund by a taxing authority (including, without limitation, promptly filing amended tax returns and promptly paying any related taxes, including penalties and interest) and certain elections relating to audits of the Fund. The limitations period for assessment of deficiencies and claims for refunds with respect to items related to the Fund is generally three years after the Fund’s return for the taxable year in question is filed, and the General Partner has the authority to, and may, extend such period with respect to all Limited Partners. It is possible that the IRS will audit the information returns to be filed by the Fund. If an audit results in an adjustment, each Partner may be required to pay additional taxes, interest and possibly penalties and additions to tax. There can be no assurance that the Fund’s tax return will not be audited by the IRS or that no adjustments to such returns will be made as a result of such an audit. If the IRS audits the tax returns of the Fund, an audit of such investors’ own returns may result. Limited Partners will bear the cost of audits of their own returns.

**Reporting and Listing Requirements.** A direct or indirect participant in any “reportable transaction” must disclose its participation to the IRS on IRS Form 8886. It is possible that the Fund may participate in one or more reportable transactions and that, as a result, U.S. Investors will be required to disclose their participation in these transactions on their tax returns. In addition, a transfer of an Interest in the Fund will be a reportable transaction if the U.S. Investor recognizes a loss on the transfer that equals or exceeds an applicable threshold amount. The foregoing discussion is only a brief summary of certain information reporting requirements. Substantial penalties may apply if the required reports or disclosure are not made on time. Investors are strongly urged to consult their own tax advisors concerning these reporting requirements as they relate to their investment in the Fund.

Non-U.S. Investors

**General.** The discussion in this section is limited to the U.S. Federal income tax consequences applicable to an investor that is not a U.S. person (for U.S. Federal income tax purposes) and who, in addition, is neither (i) an individual present in the United States for one hundred and eighty-three (183) days or more in a taxable year nor (ii) an expatriate or former long-term resident of the United States (a “Non-U.S. Investor”). A person is generally not a U.S. person for U.S. Federal income tax purposes so long as such person is not a citizen or resident of the United States; not a corporation or other entity created or organized in the United States or under the laws of the United States or any political subdivision thereof; not an estate, the income of which is subject to U.S. Federal income taxation regardless of its source; and not a trust which (a) is subject to the primary supervision of a court within the United States with one or more United States persons having the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person. This discussion does not deal with all tax considerations that may be relevant to specific investors in light of their particular circumstances and does not address the tax consequences of persons who are not Non-U.S. Investors or of persons investing in the Fund through a partnership or other pass-through entity or that are partnerships or pass-through entities for U.S. Federal income tax purposes, or (with certain exceptions) the application of state, local or U.S. Federal estate taxes to an investment in the Fund.

**Effectively Connected Income.** The Federal income tax treatment of a Non-U.S. Investor in the Fund will depend on whether that investor is found, for Federal income tax purposes, to be effectively connected with the conduct of a trade or business in the United States as a result of its investment in the Fund. Generally, a Limited Partner would be deemed to be engaged in a trade or business in the United States and would be required to file a U.S. tax return (and possibly one or more state or local returns) if the Fund is so engaged.

As long as the Fund’s principal activity is investing and/or trading in stocks, securities and commodities for its own account and it is not a dealer in such items, a “safe harbor” would apply that would exempt Non-U.S. Investors owning interests in the Fund from being treated as engaged in a United States trade or business as a result of the Fund’s stocks, securities and commodities trading activity, even if such activity otherwise constitutes a U.S. trade or business, provided that such Non-U.S. Investors are not dealers in stocks, securities or commodities. Accordingly, such Non-U.S. Investors owning interests in the Fund should be eligible for the safe harbor and would be exempt from Federal net taxation on the Fund’s activities that fall within the safe harbor (other than for gains on certain securities reflecting interests in United States real property). However, withholding taxes, if any, would be imposed on a Non-U.S. Investor’s share of the Fund’s U.S. source gross income from dividends and certain interest income arising from safe harbor activities, and certain other income, unless an exception were applicable to reduce or eliminate such withholding. In addition, non-U.S. Investors may be subject to withholding taxes on fixed, determinable annual or periodical income (“FDAP Income”). See also the discussion on U.S. Foreign Account Tax Compliance Act in this Section, “Tax Considerations”.

To the extent the Fund engages in a United States trade or business, income and gain effectively connected with the conduct of that trade or business (“ECI”) allocated to a Non-U.S. Investor 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 Non-U.S. Investor’s share of the Fund’s ECI. The amount withheld is reportable as a tax credit on the U.S. income tax return that such Non-U.S. Investor is required to file. Moreover, effectively connected earnings from the Fund which are allocated to a Non-U.S. Investor and are not reinvested in a United States trade or business may be subject to a “branch profits tax”. In addition, a portion of any gain realized by the Non-U.S. Investor upon the sale (or other disposition) of its Token Units may be taxed as ECI to the extent the Non-U.S. Investor would have been allocated ECI if the Fund sold all of its assets at fair market value as of the date of the sale or other disposition. The transferee of an interest in a partnership engaged in a U.S. trade or business may be required to withhold up to 10% of the amount realized (and the Fund may be required to withhold from future distributions to the transferee if the transferee fails to properly withhold).

Other Tax Considerations

**State and Local Taxes.** Investors and/or the Fund may be subject to state and local taxes in jurisdictions in which the Fund’s investments are located and may be required to file tax returns in those jurisdictions. State and local tax laws may differ from U.S. Federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. Prospective investors are encouraged to consult their tax advisors regarding the state and local tax consequences of an investment in the Fund.

**U.S. Foreign Account Tax Compliance Act.** Sections 1471 through 1474 of the Code (“FATCA”) impose a thirty percent (30%) withholding tax on certain payments received by foreign financial institutions, their affiliates and certain other foreign entities, unless the payee entity agrees to comply with certain due diligence, reporting and related requirements with respect to its account holders and, in some cases, the owners of its debt and equity securities. Persons located in a jurisdiction that has entered into an intergovernmental agreement with the U.S. governing FATCA (an “IGA”) may be subject to different rules. Withholding under FATCA currently applies to certain payments of U.S. source income such as interest and dividends. Accordingly, the Fund may be required to withhold under FATCA on distributions or other payments to investors that fail to comply with the applicable requirements of FATCA or to timely certify as to such compliance. A U.S. Investor will generally be required to provide to the Fund a properly completed and duly executed IRS Form W-9 (or applicable substitute form). A Non-U.S. Investor will generally be required to provide to the Fund a properly completed and duly executed applicable IRS Form W-8 and information which identifies its direct and indirect U.S. ownership. Any such information provided to the Fund will be shared with the IRS. A Non-U.S. Investor that is a “foreign financial institution” within the meaning of Section 1471(d)(4) of the Code will generally be required to enter into an agreement with the IRS identifying certain direct and indirect U.S. account holders or equity holders. A Non-U.S. Investor that fails to provide such information to the Fund or enter into such an agreement with the IRS, as applicable, would be subject to the thirty percent (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 General Partner may take any action in relation to such Limited Partner to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or take any necessary action gave rise to the withholding. Investors should consult their own tax advisers regarding the possible implications of this legislation and the impact of any applicable IGA on their investments in the Fund.

**Authorization Regarding Disclosure of Tax Structure.** Notwithstanding any other statement herein, the General Partner, the Investment Manager and their respective affiliates, agents and advisors authorize each investor and each of its employees, representatives or other agents, from and after the commencement of any discussions with any such party, to disclose to any and all persons without limitation of any kind the tax treatment and tax structure of the Fund and any transaction entered into by the Fund and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment or tax structure that are provided to the investor, except for any information identifying the General Partner, the Investment Manager, the Fund, or any parties to transactions in which the Fund engages or (except to the extent relevant to such tax structure or tax treatment) any nonpublic commercial or financial information.

**Foreign Taxes.** The Fund may invest in foreign securities or investments. It is possible that certain dividends and interest received by the Fund from sources within foreign countries will be subject to withholding taxes imposed by such countries. In addition, the Fund may also be subject to taxes in some of the foreign countries where it purchases and sells securities or other investments. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict the rate of foreign tax the Fund will pay in advance since the amount of the Fund’s assets to be invested in various countries is not known.

The Partners will be informed by the Fund as to their proportionate share of the foreign taxes paid by the Fund. Subject to applicable limitations, the Partners generally will be entitled to claim either a credit (subject to limitations) or, if they itemize their deductions, a deduction for their share of such foreign taxes in computing their Federal income taxes.

**Investment in Controlled Foreign Corporations.** A non-United States corporation in which the Fund invests may be classified as a controlled foreign corporation (“CFC”) in one or more taxable years while the corporation’s stock is held by the Fund. In general, a foreign corporation will be classified as a CFC if five or fewer 10% United States shareholders own in the aggregate more than 50% of the voting power or value of the corporation’s stock. Each 10% United States shareholder who owns shares, directly or indirectly, in a CFC on the last day of the corporation’s taxable year will be required to include in gross income, as ordinary income, such 10% United States shareholder’s pro rata share of the corporation’s (and each of the corporation’s subsidiary CFC’s) Subpart F income. In general, Subpart F income includes passive income and certain related party income. In addition, a 10% United States shareholder may recognize ordinary income on all or a portion of the gain from the sale of stock of a CFC.

**Passive Foreign Investment Companies**. A non-United States corporation in which the Fund invests is classified as a passive foreign investment company (“PFIC”) in one or more taxable years while the corporation’s stock is held by the Fund. In general, a foreign corporation will be classified as a PFIC if (i) at least 75% of its gross income for the tax year is passive, or (ii) at least 50% of the assets held by the corporation during the year produces passive income. A direct or indirect U.S. shareholder of stock in a PFIC may defer United States tax until the stock is disposed of or until a distribution is received from the corporation. Certain excess distributions by the PFIC will be taxed as ordinary income and will cause a U.S. shareholder to pay interest on the tax deferral obtained by reason of holding stock in the PFIC. U.S. shareholders other than certain entities exempted from United States federal income tax under Section 501(a) of the Code may avoid such interest charges by making a qualified electing fund (“QEF”) election in the first taxable year in which the corporation becomes a PFIC. A QEF election would result in an annual inclusion in gross income of such United States shareholder’s pro rata share of the corporation’s ordinary earnings and net capital gains irrespective of whether such income is actually distributed. In order for the Fund to make a valid QEF election with respect to a Portfolio Fund, the entity must agree to provide detailed information concerning its operating income to the Fund. There is no guarantee that any given Portfolio Fund or Fund investment would agree to provide such information and there is no assurance that the Fund will make a valid QEF election for any Portfolio Fund or Fund investment that is a PFIC.

**Future Tax Legislation, Necessity of Obtaining Professional Advice.** Future amendments to the Code, other legislation, new or amended Treasury Regulations, administrative rulings or decisions by the IRS, or judicial decisions may adversely affect the Federal income tax or other tax aspects of an investment in the Fund, with or without advance notice, retroactively or prospectively. The foregoing analysis is not intended as a substitute for careful tax planning. The tax matters relating to the Fund are complex and are subject to varying interpretations. Moreover, the effect of existing income tax laws and of proposed changes in income tax laws on Partners will vary with the particular circumstances of each investor and, in reviewing this Memorandum and any exhibits, these matters should be considered.

**The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in the Fund. Prospective investors are strongly urged to consult with their tax advisors, with specific reference to their own situations, with respect to the potential tax consequences of an investment in the Fund.**

## **ERISA MATTERS**

Most pension or profit sharing plans, individual retirement accounts and other tax-advantaged retirement funds are subject to the provisions of the Code, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or both, which may be relevant to a decision as to whether such a fund should invest in the Fund. There may, for example, be issues as to whether such an investment is “prudent” for the investing entity, whether the investing fund is diversified, and whether the investing fund’s need for liquidity has been balanced against the restrictions on transferability and the lack of liquidity associated with an investment in the Fund. Since the Fund will be permitted to borrow, tax-exempt Limited Partners may incur an income tax liability with respect to their share of the Fund’s “unrelated business taxable income”. Further, it is possible that the purchase of Interests may be or become a “prohibited transaction” with respect to the entity. It is recommended that any pension or retirement fund or similar entity, individual retirement account, or tax-exempt entity consult its own legal counsel before investing in the Fund.

If the aggregate amount invested in the Fund by benefit plan investors (i.e., employee benefit plans as defined in Section 3(3) of ERISA, that are maintained by non-governmental U.S. entities and/or churches, and plans described in Section 4975(e)(1) of the Code (such as individual retirement accounts and entities the underlying assets of which include plan assets by reason of investment therein by benefit plan investors)) were to equal or exceed twenty-five percent (25%) of the aggregate Capital Accounts of Limited Partners, equity participation by benefit plan investors would be considered “significant” under applicable Department of Labor regulations and, as a result, the underlying assets of the Fund would be deemed benefit plan assets for purposes of such regulations. If the assets of the Fund were deemed to be benefit plan assets of a benefit plan investor, the Investment Manager and/or the Sub-Advisors would be a fiduciary (as defined in ERISA and/or the Code) with respect to such plan and would be subject to the obligations and liabilities imposed upon fiduciaries by ERISA and/or the Code. Moreover, the Fund would be subject to various other requirements of ERISA and/or the Code. In particular, the Fund would be subject to rules restricting transactions involving “parties in interest” and prohibiting fiduciaries from engaging in transactions producing conflicts of interest. These rules could cause the Fund to violate ERISA and/or the Code unless the Fund obtained appropriate exemptions from the U.S. Department of Labor, allowing the Fund to conduct its operations as described herein. The General Partner intends to monitor the level of participation by benefit plan investors to avoid exceeding the twenty-five percent (25%) limitation. Notwithstanding the foregoing, the General Partner reserves the right, in its sole discretion, to waive the twenty-five percent (25%) limitation and thereafter to comply with the restrictions under ERISA.

**The fiduciary, prohibited transactions and reporting provisions of ERISA and the Internal Revenue Code are highly complex, and the foregoing is merely a brief summary of some of them. Each qualified retirement plan should consult with its own counsel on the applicability and impact of ERISA before investing in the Fund.**

## **OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENT**

The following description is a summary of certain provisions of the Fund’s Partnership Agreement. All the prospective investors should carefully review the Partnership Agreement before making an investment decision. To the extent there are any inconsistencies, the Partnership Agreement will control.

**Management.** The Fund shall be managed by the General Partner and the Investment Manager, which shall have the sole discretion to make investments on behalf of the Fund, including with respect to the selection and termination of Sub-Advisors. The General Partner may appoint such agents of the Fund, including the Investment Manager, as it deems necessary to hold such offices and exercise such powers of the General Partner in the management of the Fund and perform such duties in connection therewith as shall be determined from time to time by the General Partner. The General Partner and the Investment Manager shall devote as much of its time and efforts to the affairs of the Fund as may, in its judgment, be necessary to accomplish the purposes of the Fund. Nothing herein contained shall prevent the General Partner, the Investment Manager or any of their respective members, officers, employees or affiliates, or any other Partner from conducting any other business, including any business within the securities industry, whether or not such business is in competition with the Fund. Further, to the extent permitted by law, the General Partner and the Investment Manager disclaim and eliminate all fiduciary duties to the Fund and the Limited Partners.

**Term.** The Fund shall continue in perpetuity, unless dissolved upon the happening of any of the following events: (a) the decision of the General Partner for any reason whatsoever; (b) the withdrawal, bankruptcy, insolvency or dissolution of the General Partner, unless the business of the Fund is continued in accordance with the terms of the Partnership Agreement; (c) a judicial decree of dissolution has been obtained.

**In-Kind Distributions.** In the discretion of the General Partner, following consultation with the Investment Manager, a Limited Partner may receive in-kind distributions from the Fund’s portfolio. Such investments so distributed may not be readily marketable or saleable and may need to be held by such Limited Partner for an indefinite period of time. Any such in-kind distributions will not materially prejudice the Interests of the remaining Limited Partners.

**Secondary Transfers.** The Partnership Agreement provides the following restrictions with respect to secondary Transfers:

(i) Subject to clause (ii) below, no Transfer of Limited Partnership Interests, whether voluntary or involuntary, will (to the maximum extent permitted by applicable law) be valid or effective and no transferee will become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained (which can be withheld in the General Partner's sole discretion). Any Transfer of Limited Partnership Interests in violation of the Partnership Agreement shall be null and void and of no force or effect.

(ii) Notwithstanding clause (i), in the event that Limited Partnership Interests are represented by Token Units, transferring an ownership interest in the Fund may only be accomplished pursuant to transferring Token Units (and not transferring Limited Partnership Interests). In addition, in connection with the foregoing, a Limited Partner may Transfer its Token Units (a) to an “external owned account” (“EOA”) then on a whitelist of EOAs maintained by the General Partner or (b) by virtue of interacting with a smart contract address then on a whitelist of smart contract addresses maintained by the General Partner, in each case, without the prior written consent of the General Partner. Pursuant to the foregoing, in the event of any transfer of Token Units to an EOA, the holder of such EOA will thereby be admitted as a Limited Partner of the Fund, and the books and records of the Fund will be updated accordingly. All potential Transferees must be on a whitelist maintained by the General Partner. If an EOA or smart contract address is not whitelisted on the Fund’s records, then any putative Transfer of Token Units (x) to such potential EOA or (y) by virtue of interacting with such smart contract address shall be null and void and of no force or effect.

(iii) Notwithstanding anything to the contrary in the Partnership Agreement, in the event that a Transfer of Token Units would (a) adversely affect the Fund’s and/or any offer or sale of any Token Units’ reliance on an exemption from registration under the Securities Act or (b) adversely affect the Fund’s reliance on the Fund’s exclusion from the status of being an “investment company” within the meaning of the Investment Company Act, in each case as determined by the General Partner in its sole discretion, then the General Partner, in its sole discretion, may require a Limited Partner to redeem some or all of its Token Units at any time pursuant to the Partnership Agreement or terminate or otherwise destroying such transferee’s Token Units.

**Admission of New Partners.** With the consent of the General Partner, additional Limited Partners may be admitted to the Fund on a weekly basis. In connection with the admission of a Partner to the Fund, such Partner shall, in advance of such admission and as a condition thereto, (i) sign a copy of the Partnership Agreement or a supplement thereto pursuant to which it agrees to be bound by the terms of the Partnership Agreement, (ii) fully complete and execute the Subscription Agreement (iii) provide such information and documentation requested by the General Partner in order for such person to be listed on a whitelist of qualified actual or potential Limited Partners maintained by the General Partner (including, without limitation, applicable anti-money laundering / know your customer documentation), as determined by the General Partner in its sole discretion pursuant to its whitelisting procedures and (iv) be added to such whitelist by the General Partner and remain on such whitelist throughout the period in which such person remains a Limited Partner.

**Amendments to Partnership Agreement.** The Partnership Agreement may be amended by the General Partner in any manner that does not adversely affect any Limited Partner; provided, however, that in any event the General Partner may amend the Partnership Agreement to correct ambiguities and inconsistencies identified by the General Partner. The Partnership Agreement may also be amended on the consent of both (i) the General Partner, and (ii) Limited Partner Interests that, as of the date determined by the General Partner, represent greater than fifty percent (50%) of all Limited Partner Interests.

In situations where the General Partner is required to obtain the consent of Limited Partners to an amendment to the Partnership Agreement, the General Partner may obtain such consent by way of “negative consent”. Under this procedure, the General Partner would inform Limited Partners of the proposed amendment no later than fifteen (15) calendar days prior to the implementation of the amendment, and the amendment would be deemed to be approved if Limited Partners holding a simple majority in interest of Limited Partner Interests fail to object to such amendment within that time frame.

The General Partner may also use the negative consent procedure for other purposes, such as obtaining consent to: (i) actions and practices involving actual or potential conflicts between the interests of the General Partner, any of its related parties, or the Sub-Advisors, on the one hand, and the Fund or the Limited Partners, on the other hand; and (ii) the admission of an additional general partner in situations where the admission of an additional general partner would result in a change in the actual control or management of the Fund.

**Reports to Partners.**Each Limited Partner will receive monthly unaudited reports of the Fund’s performance. As soon as reasonably practicable after the end of each Fiscal Year, each Limited Partner will also receive annual audited financial statements, copies of Schedule K-1 to the Fund’s tax return and such tax information as shall enable such Limited Partner or former Limited Partner (or its legal representatives) to prepare its Federal income tax return in accordance with the laws, rules and regulations then prevailing. The books of account and records of the Fund shall be audited, in accordance with GAAP, as of the end of each Fiscal Year by independent certified public accountants designated from time to time by the General Partner. Notwithstanding the above, the General Partner may elect, in its sole discretion, to have the Fund’s annual audits begin after the first full fiscal year of the Fund. If such election is made, the first audit will cover the period from the inception of the Fund to the end of the first full fiscal year, and Limited Partners will begin to receive annual audited financial statements as soon as is reasonably possible following completion of the initial audit.

**Exculpation.** The General Partner, the Investment Manager, affiliates of the General Partner and the Investment Manager, and any of their respective members, partners, officers, and employees (collectively, “Affiliates”) will not be liable to any Partner or the Fund for any acts or omissions arising out of, or in connection with, (i) the Fund, (ii) the tokenization of the Interests, including, without limitation, the development, issuance, maintenance, transfer, disposition or use of Token Units, (iii) whitelisting or any related policies and procedures, (iv) any investment made or held by the Fund, or (v) the Partnership Agreement, in each case unless such action or inaction was made in bad faith or constitutes fraud, willful misconduct, or gross negligence or for any act or omission of any broker or agent of the Fund, including the Sub-Advisor, provided that such broker or agent was selected, engaged or retained by the Fund in accordance with the standard above. Each of the General Partner, the Investment Manager, and Affiliates may consult with counsel and accountants in respect of the Fund’s affairs and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such counsel or accountants, provided that they shall have been selected in accordance with the standard above. The foregoing provisions will not be construed so as to provide for the exculpation of the General Partner, the Investment Manager, or any Affiliate 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 the foregoing provisions to the fullest extent permitted by law.

**Indemnification.** To the fullest extent permitted by law, the Fund shall indemnify, defend, and hold harmless the General Partner, the Investment Manager, each Affiliate, and the legal representatives of any of the foregoing (each, an “Indemnified Party”), from and against any loss, cost or expense suffered or sustained by an Indemnified Party by reason of (i) any acts, omissions, or alleged acts or omissions arising out of, or in connection with, (A) the Fund, (B) the tokenization of the Interests, including, without limitation, the development, issuance, maintenance, transfer, disposition or use of Token Units, (C) whitelisting or any related policies and procedures, (D) any investment made or held by the Fund, or (E) the Partnership Agreement, including, without limitation, any judgment, award, settlement, reasonable attorneys’ fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, provided that such acts, omissions, or alleged acts or omissions upon which such actual or threatened action, proceeding or claim are based were not made in bad faith or did not constitute fraud, willful misconduct or gross negligence by such Indemnified Party, or (ii) any acts or omissions, or alleged acts or omissions, of any broker or agent of any Indemnified Party, provided that such broker or agent was selected, engaged, or retained by the Indemnified Party in accordance with the standard above. The Fund shall, in the sole discretion of the General Partner, advance to any Indemnified Party reasonable attorneys’ fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. If such an advance is made by the Fund, the Indemnified Party shall agree to reimburse the Fund for such fees, costs, and expenses to the extent that it shall be determined that it was not entitled to indemnification. The foregoing provisions will not be construed so as to provide for the indemnification of the General Partner, the Investment Manager or any Affiliate 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 indemnification would be in violation of applicable law, but will be construed so as to effectuate the foregoing provisions to the fullest extent permitted by law.

**Types of Securities in which the Fund May Invest.** The Fund may invest, on margin or otherwise, in securities and other financial instruments of the United States and foreign entities, including, without limitation, capital stock; shares of beneficial interest; partnership interests and similar financial instruments; interests in real estate and real estate related assets; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; interest rate, currency, equity and other derivative products, including, without limitation, (i) futures contracts (and options thereon) relating to stock indices, currencies, United States Government securities, securities of foreign governments, other financial instruments and all other commodities (ii) swaps, options, warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; mortgage-backed obligations issued or collateralized by U.S. Federal agencies (including, without limitation, fixed-rate pass-throughs, adjustable rate mortgages, collateralized mortgage obligations, stripped mortgaged-backed securities and REMICs); equipment lease certificates; equipment trust certificates; loans; credit paper; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participation; mutual funds; exchange traded funds and similar financial instruments; money market funds; obligations of the United States or any state thereof, foreign governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers’ acceptances; choses in action; trust receipts; and any other obligations and instrument or evidences of indebtedness of whatever kind or nature; in each case, of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable, and to sell securities short and cover such sales.

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**EXHIBIT A – PRIVACY POLICY**

Financial institutions like Ondo I LP and Ondo I GP LLC, and Ondo Capital Management, LLC are required to provide privacy policy notices to their clients. We believe that protecting the privacy of your nonpublic personal information (“personal information”) is of the utmost importance. Personal information is nonpublic information about you that is personally identifiable and that we obtain in connection with providing a financial product or service to you. For example, personal information includes information regarding your account balance and investment activity. This notice describes the personal information that we collect about you, and our treatment of that information.

1. We collect personal information about you from the following sources: (i) information we receive from you on fund subscription documents and related forms (for example, name, address, social security number, birth date, assets, income, and investment experience); and (ii) information about your transactions with us, our affiliates, or others (for example, account activity and balances).
2. We do not disclose any personal information we collect, as described above, about our customers or former customers to anyone other than in connection with the administration, processing and servicing of customer accounts or to our accountants, attorneys and auditors, or otherwise as permitted by law.
3. We restrict access to personal information we collect about you to our personnel who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural controls in keeping with Federal standards to safeguard your nonpublic personal information.

We reserve the right to change this notice, and to apply changes to information previously collected, as permitted by law. We will inform you of any changes as required by law.