Private Placement Memorandum

GLOBAL MARKETS, LP
(A Delaware Limited Partnership)
Confidential Private Placement Memorandum
Dated: [Insert Date]

IMPORTANT NOTICES

This Confidential Private Placement Memorandum (this "Memorandum") is being furnished by Global Markets GP, LLC, a Delaware limited liability company (the "General Partner"), in connection with the private offering (the "Offering") of limited partnership interests (the "Interests") in **Global Markets, LP**, a Delaware limited partnership (the "Partnership" or the "Fund").

The Interests are being offered in reliance upon the exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), pursuant to **Rule 506(b) of Regulation D** promulgated thereunder, and other applicable exemptions of state and foreign securities laws.

The Interests offered hereby have not been, and will not be, registered under the Securities Act, or under the securities or "blue sky" laws of any state of the United States or of any foreign jurisdiction. The Interests may not be offered, sold, transferred, pledged, or otherwise disposed of except in compliance with this Memorandum, the Partnership's governing documents, and applicable law.

No Public Offering. This Offering is made on a strictly private basis, without general solicitation or general advertising. Interests will be offered only to persons who are "accredited investors" (as defined in Rule 501(a) of Regulation D under the Securities Act) and to a limited number of other eligible investors as permitted by applicable law.

Confidentiality. This Memorandum is strictly confidential. By accepting this Memorandum, each prospective investor agrees not to reproduce or distribute it, in whole or in part, and agrees to return it to the General Partner upon request.

No Investment Advice. The information contained herein is not investment, legal, or tax advice. Prospective investors should consult their own legal, tax, accounting, and investment advisors regarding the consequences of an investment in the Partnership.

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Forward-Looking Statements. This Memorandum contains forward-looking statements. Actual results may differ materially due to risks and uncertainties. No assurance can be given that the Partnership's objectives will be achieved.

No Guarantee of Performance. An investment in the Partnership is speculative and involves a high degree of risk. Investors should not invest unless they can afford to lose their entire investment.

SUMMARY OF PRINCIPAL TERMS

(The following summary is qualified in its entirety by the detailed information appearing in this Memorandum, the Limited Partnership Agreement (the “LPA”), and the Subscription Agreement.)

- **Fund:** Global Markets, LP, a Delaware limited partnership.
- **General Partner:** Global Markets GP, LLC, a Delaware limited liability company.
- **Management Company:** Global Markets Consulting, LLC, a Florida limited liability company.
- **Minimum Investment:** $50,000, subject to waiver by the General Partner.
- **Target Fund Size:** No stated maximum.
- **Offering:** Interests in the Partnership are offered solely in a private placement under Rule 506(b).
- **Investment Strategy:** AI-driven systematic trading across multiple asset classes, with allocations to digital assets, equities, commodities, and opportunistic alternative investments.
- **Fee Structure:**
  - Management Fee: 2% per annum of net assets (including leverage).
  - Performance Allocation: 20% of net profits after a 6% preferred return, subject to a high-water mark.
- **Lock-Up & Liquidity:**
  - Initial 12-month lock-up period.
  - Quarterly redemptions thereafter, with 90 days’ prior written notice.
  - 2% redemption fee for redemptions within 24 months.
  - 25% NAV redemption gate per quarter.

- **Leverage:** The Partnership may employ leverage of up to 3:1 at the discretion of the General Partner.
- **Eligible Investors:** Accredited investors, family offices, and institutional allocators.
- **Subscription Process:** Eligible investors must complete a Subscription Agreement, Accredited Investor Questionnaire, and provide KYC/AML documentation.
- **Service Providers:**
  - Banking: JP Morgan Chase, Wells Fargo
  - Fund Administrator: To be appointed
  - Prime Broker & Custodian: To be appointed
  - Auditor: To be appointed
  - Legal Counsel: [To be engaged]

EXECUTIVE SUMMARY

Fund Overview.
Global Markets, LP (the "Partnership") is a newly organized Delaware limited partnership formed to pursue an AI-driven, systematic investment strategy across global financial markets. The Partnership seeks to generate attractive risk-adjusted returns by deploying advanced machine learning, order flow analytics, and quantitative trading strategies across multiple asset classes, including digital assets, equities, commodities, and cash instruments.

Fund Structure.
The Partnership is structured as a Delaware limited partnership. The General Partner, Global Markets GP, LLC, is responsible for managing the business and affairs of the Partnership. The General Partner has engaged Global Markets Consulting, LLC (the "Management Company") to provide day-to-day management, trading, and operational services to the Partnership.

Investment Objective.
The Partnership's investment objective is to generate long-term capital appreciation through diversified, systematic strategies, with risk controls designed to protect capital and manage volatility.

Competitive Advantages.

- Proprietary AI and quantitative models.
- Diversified allocation across asset classes and strategies.
- Active risk management with leverage limits and redemption gates.
- Institutional-quality governance and compliance framework.

INVESTMENT STRATEGY & METHODOLOGY

The Partnership's investment program combines **systematic AI-driven models** with **real-time order flow intelligence** to identify and exploit opportunities across asset classes.

Core Allocations

- **Digital Assets (30–60%)**
  Exposure to Bitcoin, Ethereum, and liquid altcoins, traded via regulated and offshore venues. The strategy focuses on volatility harvesting, momentum capture, and mean-reversion models.

- **Equities (20–40%)**
  Global equities, with a focus on liquid U.S. and international markets. Strategies include factor-based models, statistical arbitrage, and macro-driven thematic exposure.

- **Commodities (10–30%)**
  Futures and commodity-linked instruments, with emphasis on gold, energy, and agricultural products.

- **Cash & Short-Term Instruments (0–20%)**
  Capital preservation and liquidity management through short-term Treasuries and money market instruments.

Leverage Policy

The Fund may employ leverage up to 3:1 to enhance returns, subject to risk constraints. Leverage may be applied through margin borrowing, derivatives, or financing arrangements with prime brokers.

Execution & Risk Management

The Fund will execute trades primarily via institutional-grade exchanges, OTC counterparties, and offshore liquidity providers. Risk is monitored using real-time analytics, stress testing, and portfolio optimization frameworks.

Future Expansion

The General Partner intends to allocate opportunistically to alternative investments, including **real estate, art, and private markets**, either directly or through side-pocket structures.

Risk Factors

**Prospective investors should carefully consider the following risk factors, in addition to the other information contained in this Memorandum, before making an investment decision. The risks described below are not the only risks that may affect an investment in the Partnership. Additional risks and uncertainties not presently known or not currently considered material may also have an adverse effect on the Partnership. An investment in the Partnership is speculative and involves a high degree of risk, including the possible loss of the entire amount invested.*

1. General Investment Risks

1.1 **Speculative Nature of Investment**
Investing in the Partnership involves a high degree of risk. The Partnership's strategies include exposure to volatile asset classes such as digital assets, equities, and commodities, as well as the use of leverage, derivatives, and alternative investments. There can be no assurance that the Partnership will achieve its investment objectives, and investors may lose all or a substantial portion of their investment.

1.2 **Volatility of Markets**
The markets in which the Partnership participates are subject to significant volatility. Market prices can fluctuate rapidly in response to a wide variety of factors, including macroeconomic conditions, geopolitical events, regulatory changes, technological disruptions, interest rate movements, inflationary pressures, and investor sentiment. Such volatility may cause substantial losses to the Partnership.

1.3 **Global Macroeconomic and Geopolitical Risks**
The performance of the Partnership is influenced by global economic and political developments, including trade disputes, sanctions, wars, pandemics, natural disasters, supply chain disruptions, and monetary policy decisions. These factors may materially and adversely affect the value of the Partnership's portfolio.

2. Risks Related to Investment Strategy

2.1 **AI-Driven Systematic Trading Risks**
The Partnership relies heavily on artificial intelligence ("AI") models, machine learning algorithms, and quantitative trading systems. Such systems are inherently complex, may not

always perform as intended, and may fail to adapt to changing market conditions. Overfitting, data errors, model mis-specification, or unforeseen market regimes could lead to unexpected losses.

2.2 **Dependence on Technology**
The Partnership's trading systems depend on continuous and reliable access to technology infrastructure, data feeds, and telecommunications networks. System failures, power outages, cyberattacks, latency issues, or technology malfunctions could disrupt operations, delay execution, or cause financial losses.

2.3 **Risk of Model Decay**
Quantitative trading models may degrade over time due to changing market dynamics, evolving correlations, and reduced predictive power. The failure to update or recalibrate models promptly may impair the Partnership's performance.

2.4 **Concentration Risk by Asset Class**
Although diversified across multiple asset classes, the Partnership's portfolio may at times be concentrated in certain sectors or instruments. The target allocation of 30–60% digital assets, 20–40% equities, and 10–30% commodities may expose investors to sector-specific risks that outweigh diversification benefits.

2.5 **Leverage and Margin Risks**
The Partnership may employ leverage of up to 3:1. Leverage magnifies both potential gains and potential losses. A relatively small adverse market movement may result in substantial losses exceeding the Partnership's initial capital. Margin calls may require the forced liquidation of assets at unfavorable prices.

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3. Asset-Specific Risks

3.1 **Digital Asset Risks**

- **Extreme Volatility:** Digital assets such as Bitcoin, Ethereum, and other cryptocurrencies experience large and sudden price swings.
- **Regulatory Uncertainty:** Digital assets face uncertain and evolving regulatory treatment across jurisdictions, including potential bans, restrictions, or classification as securities.
- **Custody and Cybersecurity:** The Partnership intends to use offshore exchanges and digital asset custodians. Digital assets are subject to risks of theft, hacking, operational error, and custodial insolvency.

- **Market Manipulation:** Digital asset markets remain susceptible to wash trading, spoofing, pump-and-dump schemes, and lack of transparency.

3.2 **Equity Risks**

- **Equity Market Volatility:** Stock markets fluctuate based on corporate earnings, valuations, macroeconomic shifts, and investor sentiment.
- **Sector and Issuer Risk:** The Partnership may have concentrated exposure to particular issuers, sectors, or geographies, increasing vulnerability to idiosyncratic events.
- **Liquidity Risk:** In stressed market conditions, certain equity securities may become illiquid, impairing the Partnership's ability to exit positions.

3.3 **Commodity Risks**

- **Price Volatility:** Commodities such as oil, metals, and agricultural products are influenced by supply/demand imbalances, weather conditions, geopolitical events, and OPEC policy.
- **Storage and Transportation Costs:** Certain commodities require specialized infrastructure and are subject to logistical risks.
- **Regulatory and Environmental Risk:** Commodity markets are increasingly impacted by environmental regulations, carbon taxes, and geopolitical embargoes.

3.4 **Cash and Cash Equivalent Risks**
While the Partnership may hold up to 20% in cash or cash equivalents, such holdings are subject to inflation risk, interest rate fluctuations, and counterparty risk at the custodian bank.

3.5 **Future Expansion into Alternative Assets**
The Partnership may expand into real estate, art, or other alternative assets. These markets may be illiquid, opaque, and subject to risks not yet fully understood by the Partnership's models.

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4. Operational and Counterparty Risks

4.1 **Reliance on Key Personnel**
The Partnership's success depends on the skills, experience, and judgment of the General

Partner and its affiliates. The loss of key personnel could materially impair the Partnership's performance.

4.2 **Counterparty Risk**
The Partnership will engage in transactions with brokers, banks, custodians, and other financial institutions. Failure of a counterparty to meet its obligations could result in losses. This risk is heightened when transacting with offshore digital asset exchanges.

4.3 **Service Provider Risks**
The Partnership relies on external service providers, including administrators, auditors, legal counsel, and prime brokers. Failures, errors, or misconduct by these service providers could adversely impact the Partnership.

4.4 **Custody Risks**
Custody of traditional securities and digital assets involves operational and legal risks. Insolvency or mismanagement by custodians may result in the loss of assets.

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5. Regulatory, Compliance, and Legal Risks

5.1 **Uncertain Regulatory Environment**
The financial services industry is highly regulated. Changes in U.S. or foreign laws, regulations, tax regimes, or enforcement practices could materially impact the Partnership's operations and investment strategy.

5.2 **Digital Asset Regulation**
Digital assets face evolving scrutiny from the SEC, CFTC, IRS, and international regulators. Classification of tokens as securities or commodities, restrictions on exchange operations, or new reporting obligations could adversely affect the Partnership.

5.3 **ERISA Considerations**
Although the Partnership intends to limit investments by benefit plan investors, inadvertent ERISA plan asset status could impose fiduciary obligations and restrictions on the Partnership.

5.4 **Anti-Money Laundering (AML) and Know-Your-Customer (KYC) Risks**
The Partnership is subject to U.S. AML and KYC requirements as well as international standards. Failure to maintain adequate compliance systems could result in regulatory penalties or reputational harm.

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6. Liquidity and Redemption Risks

6.1 **Lock-Up and Redemption Restrictions**
Investors are subject to a 12-month initial lock-up period, quarterly redemptions with 90 days' notice, and potential redemption gates of 25% of NAV. Such restrictions may prevent investors from accessing capital when desired.

6.2 **Suspension of Redemptions**
The General Partner may suspend redemptions during periods of market stress, operational disruption, or legal uncertainty. Such suspension may last for an extended period and limit liquidity for investors.

6.3 **Redemption Fees**
A 2% redemption fee applies to withdrawals within 24 months. This may reduce realized returns for investors requiring earlier liquidity.

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7. Tax Risks

7.1 **U.S. Federal Tax Considerations**
Investors may be subject to complex partnership taxation, unrelated business taxable income (UBTI), and other IRS reporting requirements. Changes in tax law could alter after-tax returns.

7.2 **Foreign Investor Taxation**
Non-U.S. investors may face U.S. withholding taxes, FATCA compliance obligations, and double taxation issues. Local country tax laws may also impose burdensome reporting or taxation.

7.3 **Uncertainty in Treatment of Digital Assets**
The IRS continues to develop tax guidance on digital assets. Classification, reporting, and taxation rules remain uncertain and could materially affect investors' obligations.

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8. Conflicts of Interest

8.1 **Related Party Transactions**
The General Partner, Management Company, and affiliates may engage in business with entities related to the Partnership. These relationships may create conflicts of interest.

8.2 **Allocation of Opportunities**
The General Partner may manage other funds or accounts. Investment opportunities may not always be allocated equally, creating conflicts.

8.3 **Fee Conflicts**
The General Partner earns both management and performance-based compensation, which may incentivize excessive risk-taking.

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9. Other Risks

9.1 **Force Majeure**
Natural disasters, wars, pandemics, cyberattacks, or other force majeure events could disrupt operations or materially impair performance.

9.2 **Inflation and Interest Rate Risks**
Rising inflation and interest rate volatility may impact asset valuations and borrowing costs, adversely affecting returns.

9.3 **Environmental, Social, and Governance (ESG) Risks**
Although the Partnership does not prioritize ESG considerations, investor sentiment and regulatory developments in ESG could impact portfolio holdings.

9.4 **Risk of Total Loss**
Due to the speculative and leveraged nature of the Partnership, investors must be prepared to lose their entire investment.

⚖️ *This Risk Factors section is intended to be comprehensive but is not exhaustive. Investors must carefully review the entire Memorandum and consult their professional advisors before investing.*

Expanded Risk Factors (Continued)

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2. Risks Related to Investment Strategy (Expanded)

2.1 AI-Driven Systematic Trading Risks

The Partnership's trading systems are highly dependent on proprietary artificial intelligence ("AI") and machine learning models. These models operate by analyzing large volumes of historical and real-time market data in order to identify trading opportunities. While the General Partner believes that such models provide an edge in navigating complex markets, there can be no assurance that these models will remain effective under future market conditions.

Machine learning models are inherently dependent on the quality, breadth, and accuracy of the underlying data. Inaccuracies in data, whether due to vendor errors, market anomalies, or malicious data injection, may lead to flawed predictions and erroneous trading decisions. Furthermore, AI models are subject to the phenomenon of "overfitting," whereby models capture historical noise rather than true predictive patterns. Overfitted models may perform well in backtests but fail catastrophically in live trading.

Another concern is "model drift," where the predictive accuracy of an algorithm declines over time as market participants adapt or as structural shifts in the economy occur. Markets are dynamic and adaptive systems, and strategies that once produced consistent returns may degrade in efficacy. The General Partner will endeavor to recalibrate models, but there is no assurance that updates will be sufficient to restore performance.

Additionally, reliance on systematic execution creates the possibility of "black box risk." Investors may not be able to fully evaluate or understand the underlying algorithms due to their proprietary nature. This opacity may heighten investor concerns and limit transparency.

2.2 Dependence on Technology

The Partnership's operations are deeply reliant on continuous technological functioning, including algorithmic execution platforms, connectivity to exchanges, and cloud-based data storage systems. Interruptions due to hardware failures, software bugs, cyberattacks, or third-party service outages could prevent the timely execution of trades.

Latency — the delay between signal generation and order execution — poses a significant risk in high-frequency trading environments. Even a few milliseconds of delay can materially impact performance, particularly in digital asset markets where liquidity is fragmented and volatility is extreme.

The Partnership also faces the risk of obsolescence. Trading infrastructure evolves rapidly, and competitors may gain an advantage through more advanced technology, faster data feeds, or co-location services. Failure to keep pace with such developments may reduce the Partnership's competitiveness.

Cybersecurity risk is particularly acute. Hackers may attempt to access trading models, disrupt execution systems, or compromise custody arrangements. A successful cyberattack could result in theft of digital assets, exposure of proprietary strategies, reputational harm, and significant financial loss.

2.3 Risk of Model Decay and Adaptability

Quantitative models often rely on statistical relationships between assets, such as correlations, volatility clustering, or momentum persistence. These relationships may break down abruptly, particularly during crisis periods. For example, correlations between equities and bonds, historically negative, have at times turned positive, reducing diversification benefits.

"Model decay" can occur gradually or suddenly. Gradual decay reflects long-term structural shifts in markets — for instance, changes in central bank policy regimes, evolving investor bases, or regulatory reforms. Sudden decay may arise from regime shifts triggered by macroeconomic shocks, such as the COVID-19 pandemic or the 2008 financial crisis.

The General Partner may attempt to mitigate model decay by incorporating adaptive learning systems and continuous recalibration. However, the process of recalibration itself carries risks. Overreacting to short-term anomalies may degrade long-term performance, while underreacting may leave the models exposed to structural changes.

2.4 Concentration Risk by Asset Class (Expanded)

Although the Partnership maintains guidelines for diversified allocations across digital assets, equities, commodities, and cash, in practice allocations may skew toward certain asset classes or strategies based on market conditions or model outputs. For example, if digital asset strategies generate higher signals, the Partnership may hold concentrations exceeding 50% in such assets. This could expose investors to asset-class-specific downturns.

Digital assets, in particular, may dominate the portfolio due to high volatility and perceived alpha opportunities. While such exposure may generate outsized gains, it also increases the risk of large drawdowns.

Concentration risk also exists within asset classes. Equity positions may be clustered in technology or growth sectors, which are highly correlated. Commodity exposures may lean heavily toward energy products, exposing the portfolio to geopolitical or OPEC-related shocks.

2.5 Leverage and Margin Risks (Expanded)

The Partnership may employ leverage up to three times net asset value. Leverage magnifies both potential gains and potential losses. A relatively small decline in asset values may result in disproportionately large losses.

Leverage introduces additional risks beyond magnification of returns. Borrowed funds require interest payments, which may erode net returns. Changes in interest rates may increase the cost of borrowing and reduce profitability. Margin borrowing may also expose the Partnership to forced liquidation if collateral values fall below required maintenance levels.

Margin calls are particularly dangerous in volatile markets. Exchanges or prime brokers may demand additional collateral with little notice. If the Partnership cannot meet such demands, positions may be liquidated at unfavorable prices, leading to cascading losses.

Furthermore, the use of leverage may increase regulatory scrutiny, particularly if employed in connection with digital asset exposures. Regulators may impose leverage limits or collateral requirements, potentially restricting strategy execution.

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3. Asset-Specific Risks (Expanded)

3.1 Digital Asset Risks

Digital assets such as Bitcoin, Ethereum, and other blockchain-based instruments present significant risks that are distinct from those associated with traditional asset classes. Investors should understand that digital assets are speculative in nature, often lack intrinsic value, and are subject to extreme volatility. Price swings of 10% or more in a single day are not uncommon, and periods of both exponential appreciation and dramatic collapse have occurred with regularity. There can be no assurance that such volatility will not impair the value of the Partnership's digital asset holdings.

A principal risk in the digital asset sector arises from **regulatory uncertainty**. The legal status of many digital assets is unsettled, with agencies such as the SEC, CFTC, IRS, and FinCEN asserting overlapping jurisdictional claims. Courts have yet to provide definitive guidance on the classification of many tokens, and there is a material possibility that assets currently treated as commodities or non-securities may later be deemed securities under U.S. law. Such reclassification could render certain investments unlawful, require costly registration, or subject the Partnership to enforcement action. Foreign jurisdictions similarly maintain evolving and inconsistent regimes. Regulatory initiatives in the European Union (MiCA), Asia, or offshore jurisdictions may restrict trading venues, impose licensing obligations, or criminalize activities previously regarded as permissible.

Custody of digital assets presents unique risks. Unlike equities or bonds, which are held in custodial accounts subject to established protections such as SIPC insurance, digital assets may be custodied at offshore exchanges, wallet providers, or trust companies lacking robust oversight. The recent failures of exchanges such as FTX and custodians such as Celsius illustrate the material possibility of custodial insolvency, misappropriation of assets, or fraud. In addition, digital assets are susceptible to **cyber-theft and hacking**. Even where custodians employ cold storage or multi-signature security protocols, there can be no assurance that digital assets will not be stolen, lost, or rendered inaccessible. Recovery from such events is often impossible, and insurance coverage, where available, may be inadequate or subject to limitations.

Digital asset markets are also characterized by **limited transparency and susceptibility to manipulation**. Wash trading, spoofing, pump-and-dump schemes, and other abusive practices have been documented across both centralized and decentralized exchanges. Because regulatory oversight is limited, participants may engage in manipulative conduct without detection or consequence. Prices may therefore not reflect genuine supply and demand, impairing the accuracy of the Partnership’s models and leading to trading losses.

Liquidity in digital assets can deteriorate rapidly. While leading assets such as Bitcoin and Ethereum enjoy deep markets, many altcoins exhibit thin liquidity, wide bid-ask spreads, and concentrated ownership structures. In stressed conditions, liquidity may vanish altogether, preventing orderly liquidation of positions. This risk is exacerbated by the possibility of **exchange outages**, where trading venues suspend operations during periods of high volatility. Investors should be aware that the Partnership may be unable to exit digital asset positions at desired prices or within desired timeframes, resulting in material losses.

Finally, the tax treatment of digital assets remains uncertain. The IRS has issued limited guidance, but classification issues remain unresolved, including whether certain assets constitute property, securities, or commodities. Future legislation or regulation may impose adverse tax consequences, including withholding obligations, information reporting, or penalties. Non-U.S. investors may be particularly exposed to conflicting tax regimes.

3.2 Equity Risks

The Partnership expects to allocate between 20% and 40% of assets to equities. While equities are a more established asset class, they nonetheless carry significant risks. Equity markets are highly sensitive to macroeconomic developments, corporate earnings cycles, interest rate policies, inflationary pressures, and investor sentiment. Historical evidence demonstrates that equity markets are subject to periodic crashes and prolonged bear markets. There can be no assurance that equity investments will not result in substantial or complete losses.

Equities also present **issuer-specific risk**. Corporate governance failures, fraud, earnings manipulation, or mismanagement may result in precipitous declines in stock value. Examples include the collapses of Enron, Lehman Brothers, and Wirecard. The Partnership may at times hold concentrated equity positions, increasing exposure to such idiosyncratic risks.

Sectoral and geographic concentrations present additional dangers. Technology equities, for example, are highly correlated and vulnerable to cycles of exuberance and contraction. Emerging market equities are exposed to political instability, weak regulatory regimes, and currency volatility. Investments in foreign issuers also raise risks relating to accounting standards, disclosure quality, and shareholder protections.

Liquidity in equities is generally robust under normal conditions, but may deteriorate rapidly in stressed markets. During the 2008 financial crisis and the COVID-19 pandemic, equity markets experienced sharp drawdowns and trading halts. Exchanges may suspend trading of particular securities, and circuit breakers may prevent liquidation at desired levels. Investors should not assume that equities can always be sold promptly or without loss.

3.3 Commodity Risks

Commodity investments expose the Partnership to risks distinct from financial assets. Prices are influenced by supply and demand imbalances, geopolitical shocks, weather events, technological changes, and government policies. Oil prices, for example, have historically fluctuated in response to OPEC decisions, sanctions regimes, and military conflicts. Agricultural commodities may be affected by droughts, floods, or crop diseases. Metals such as gold and copper respond to industrial demand cycles, currency valuations, and inflationary pressures.

Commodities also carry **storage and transportation risks**. Physical commodities may require specialized facilities, creating cost and logistical burdens. Energy commodities, in particular, are subject to pipeline outages, shipping constraints, and geopolitical chokepoints such as the Strait of Hormuz. Futures markets, while offering synthetic exposure, may suffer from contango or backwardation, leading to roll costs that erode returns.

Environmental and regulatory changes further complicate commodity markets. Governments may impose carbon taxes, environmental restrictions, or outright bans on certain commodities. Climate change policy may reduce demand for fossil fuels while increasing regulatory burdens on producers and investors alike.

3.4 Cash and Cash Equivalent Risks

Although cash and cash equivalents are generally regarded as safe, they are not risk-free. Inflation erodes the purchasing power of cash holdings, particularly in low-interest-rate environments. Rising interest rates may also adversely affect the value of fixed-income instruments held as cash equivalents, such as Treasury bills or commercial paper.

Cash balances held at banks are subject to **counterparty risk**. While the Partnership intends to maintain relationships with major financial institutions, bank failures remain a possibility, as demonstrated by the collapse of Silicon Valley Bank in 2023. FDIC insurance is subject to limits, and large balances may exceed coverage thresholds. In addition, cash held at offshore institutions may not benefit from comparable protections.

3.5 Future Expansion into Alternative Assets

The Partnership contemplates future investments in alternative assets such as real estate, fine art, collectibles, and private placements. Each of these asset classes presents its own risks. Real estate investments are exposed to illiquidity, local economic cycles, property-specific risks (such as environmental contamination), and financing risks. Fine art and collectibles markets are notoriously opaque, illiquid, and vulnerable to forgeries, fraud, and shifting tastes. Private placements may involve early-stage companies with unproven business models, limited financial disclosure, and heightened default risk.

Because these asset classes are often **illiquid**, valuations may be difficult to ascertain, redemptions may be delayed, and returns may be realized only upon long-term disposition. There can be no assurance that expansion into alternative assets will achieve diversification benefits or generate acceptable returns.

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IV. Expanded Risk Factors (Continued)

C. Operational Risks (Expanded)

Operational risks, often underestimated in fund formation and trading ventures, are in fact among the most prevalent causes of failure for new investment vehicles. While compliance and legal risks are existential in nature, operational inefficiencies can steadily erode returns, dissuade investors, and eventually render the venture non-viable. We break this analysis into granular categories to illustrate the full spectrum of concerns.

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1. Systems and Infrastructure Risk

- **Technology Dependence**
  The contemplated structure relies heavily on algorithmic and systematic trading models executed via MetaTrader 5 (MT5), Python-based engines, and potentially external APIs or cloud services. This introduces dependency on third-party software that may malfunction, undergo updates incompatible with your code, or terminate service unexpectedly.

- **Cybersecurity Concerns**
  Given the proposed integration of order flow data (including Coinbase WebSocket feeds and cTrader L2 data), the system becomes a target for malicious actors. Breaches could compromise proprietary trading algorithms, expose sensitive client/investor data, or permit manipulation of trade execution.

- **Disaster Recovery & Business Continuity**
  Regulators, particularly in the U.S. (SEC/FINRA for broker-dealers, CFTC/NFA for commodity pools, state regulators for investment advisers), expect sponsors to maintain contingency plans. Failure to do so not only elevates operational risk but may also be deemed a compliance deficiency.

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2. Personnel and Key Man Risk

- **Concentration of Knowledge**
  If the trading system is developed and operated primarily by one or two principals, the

fund is exposed to significant key person risk. Death, incapacity, or departure of those individuals would jeopardize the venture.

- **Recruitment & Retention**
  Scaling institutional-grade trading operations demands specialized talent (quantitative analysts, compliance officers, infrastructure engineers). Compensation expectations may exceed budget, and poaching risk remains high.

- **Fiduciary Overlay**
  Where the principals act as both investment managers and developers, conflicts may arise regarding time allocation, attention to compliance, and adequacy of supervision.

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3. Execution and Counterparty Risk

- **Broker/Dealer Dependence**
  The contemplated system integrates with MetaTrader brokers (IC Markets, etc.). Execution quality depends on spreads, slippage, and broker solvency. Offshore brokers may operate under weak regulatory oversight, increasing exposure to default risk.

- **Prime Brokerage & Clearing**
  Should the fund eventually scale and require institutional prime services, counterparty creditworthiness will become a direct factor in portfolio stability.

- **Liquidity Constraints**
  Reliance on XAUUSD (gold) trading strategies could expose the system to execution bottlenecks during thin liquidity periods or in crisis markets.

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4. Vendor and Third-Party Dependence

- **Ngrok, Cloud APIs, and File I/O Risks**
  Current architecture (leveraging ngrok tunnels, JSON file exchange, local MT5/EA integration) introduces fragility. Commercial-scale investors may question the robustness of such pipelines. If any external service alters terms or experiences downtime, the system may fail to execute trades.

- **Contractual Protections**
  Most third-party vendors disavow liability for service interruptions. Without negotiated SLAs (service level agreements), recourse is limited.

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5. Data Integrity and Latency

- **Order Flow Data Risk**
  Coinbase and cTrader WebSocket feeds may experience latency, drops, or inaccuracies. The trading system's reliance on millisecond-level order flow confirmation creates significant exposure. Inaccurate data can trigger false positives, resulting in unprofitable trades.

- **Cross-Exchange Reliability**
  The "confidence scoring" engine envisions cross-venue confirmation (Coinbase + cTrader). Discrepancies may arise due to different market microstructures, creating interpretive errors.

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6. Compliance Infrastructure Weaknesses

- **Inadequate Documentation**
  Regulators expect comprehensive records of trade rationale, investor communications, and compliance procedures. A system primarily designed for execution, not for compliance logging, risks regulatory censure.

- **Testing and Validation Gaps**
  Failure to maintain a robust testing environment (demo accounts, simulated stress testing, failover environments) could create undiscovered vulnerabilities until they manifest in live trading.

D. Legal and Regulatory Risks (Expanded)

The most material risk set arises from the complex overlay of U.S. and international regulations governing pooled investments, trading operations, investor solicitation, and financial reporting.

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1. Securities Law Exposure

- **Investment Company Act of 1940**
  If investor funds are pooled and managed on a discretionary basis, the entity may be deemed an "investment company." Absent an exemption (3(c)(1), 3(c)(7)), registration

would be required—a highly onerous process.

- **Investment Advisers Act of 1940**
  The management entity itself may qualify as an "investment adviser." Unless exempt (e.g., private fund adviser exemption for AUM < $150 million), registration with the SEC or state regulators may be required.

- **Securities Act of 1933 / Exchange Act of 1934**
  Offering interests in the fund constitutes a securities offering. Exemptions (Reg D, Reg S) must be carefully navigated. Missteps can create rescission liability (investors may demand full repayment regardless of performance).

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2. Commodity and Derivatives Regulation

- **Commodity Exchange Act (CEA)**
  Trading XAUUSD CFDs, futures, or derivatives triggers CFTC jurisdiction. The fund may be deemed a "commodity pool," requiring CPO (Commodity Pool Operator) registration.

- **NFA Membership**
  Most CPOs/CTAs must register with the National Futures Association. This imposes significant compliance, disclosure, and audit obligations.

- **Exemptions**
  Certain exemptions exist (CFTC Rule 4.13(a)(3) de minimis exemption, etc.), but applicability must be carefully assessed.

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3. Cross-Border & Offshore Risks

- **Jurisdictional Arbitrage**
  Establishing a Delaware LP with an offshore trading account (e.g., IC Markets) may raise regulatory concerns regarding "export" of investor funds and circumvention of domestic regulation.

- **AML/KYC**
  Banking institutions, even in accommodating jurisdictions, require robust anti-money laundering procedures. Failure to adopt such systems risks account closure and reputational harm.

- **Tax Compliance**
  Offshore structures may mitigate certain tax exposures but must be carefully harmonized with U.S. tax rules (Subpart F income, PFIC, CFC considerations).

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4. Enforcement & Litigation Risk

- **Regulatory Enforcement**
  Even if structured for exemption, regulators may challenge the arrangement. Enforcement risk is elevated if investors complain of losses or if promotional materials overpromise.

- **Investor Litigation**
  Disgruntled investors may pursue claims of fraud, breach of fiduciary duty, or misrepresentation. The sophistication level of investors (accredited vs. retail) is key.

- **Contractual Disputes**
  Dependence on third-party brokers and service providers exposes the venture to disputes over fees, execution quality, or data availability.

3. Taxation Risks

3.1 General Tax Considerations

The tax consequences of an investment in the Partnership are complex and subject to change. The following discussion does not purport to be a comprehensive description of all tax considerations that may be relevant to a prospective investor. Investors are strongly urged to consult with their own tax advisors concerning the federal, state, local, and foreign tax consequences of an investment in the Partnership in light of their particular circumstances.

The Partnership is organized as a Delaware limited partnership. The General Partner intends that the Partnership will be treated as a partnership for U.S. federal income tax purposes. As such, the Partnership itself generally will not be subject to U.S. federal income tax. Instead, each Partner will be required to report separately on its own tax return its distributive share of the Partnership's income, gain, loss, deduction, and credit, regardless of whether cash or property is actually distributed to such Partner.

Because Partners must report income without regard to distributions, it is possible that Partners may incur federal, state, or local tax liabilities arising from their share of the Partnership's income without receiving corresponding cash distributions from the Partnership. Partners should have sufficient liquid assets outside of their investment in the Partnership to satisfy any tax liabilities arising from their investment.

3.2 Risk of IRS Challenge to Partnership Status

The General Partner believes that the Partnership will be classified as a partnership for U.S. federal income tax purposes, and not as an association or a publicly traded partnership taxable as a corporation. However, no assurance can be given that the Internal Revenue Service ("IRS") will not successfully assert that the Partnership should be treated as a corporation. If the Partnership were classified as a corporation for U.S. tax purposes, the Partnership would be subject to U.S. corporate income tax, and any distributions made to the Partners would generally be treated as dividends, subject to an additional layer of taxation at the Partner level. Such treatment could materially reduce the after-tax returns to the Partners.

3.3 Taxation of Trading Activities

The Partnership expects to engage in frequent trading and investment activities, including investments in digital assets, securities, and commodities. Such activities may generate ordinary income, capital gains, and potentially unrelated business taxable income ("UBTI") for certain tax-exempt investors.

The classification of income as ordinary or capital will depend on a variety of factors, including the nature of the assets traded, the holding period of positions, and the manner in which transactions are executed. The IRS has broad discretion to recharacterize gains and losses, and no assurance can be given that the Partnership's treatment of items for tax purposes will not be challenged.

3.4 Risks for Tax-Exempt Investors (UBTI and ERISA Considerations)

Tax-exempt investors, including pension plans, charitable foundations, and individual retirement accounts, may be subject to tax on their allocable share of the Partnership's income to the extent it is classified as unrelated business taxable income. The use of leverage in the Partnership's investment activities may generate UBTI.

Tax-exempt investors should carefully consult with their advisors regarding the potential impact of UBTI on their investment in the Partnership. Failure to properly account for UBTI may subject such investors to unexpected tax liabilities, penalties, or adverse regulatory consequences.

3.5 Foreign Investors and Withholding

Foreign investors in the Partnership may be subject to U.S. federal withholding taxes on certain types of income. Under current law, withholding generally applies to certain U.S.-source fixed or determinable annual or periodic income, such as dividends and interest, but not to capital gains. However, complex exceptions and look-through rules apply, particularly with respect to income derived from derivatives, commodities, and digital assets.

In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes reporting obligations on foreign investors and may subject certain payments to 30% withholding unless compliance obligations are satisfied. Similarly, the Common Reporting Standard ("CRS") may require disclosure of foreign investors' information to tax authorities in their home jurisdictions.

Foreign investors are urged to consult their own tax advisors regarding the impact of FATCA, CRS, and other international tax reporting regimes.

3.6 State and Local Taxes

In addition to U.S. federal income tax, Partners may be subject to state and local taxes in jurisdictions where the Partnership conducts activities or is deemed to have nexus. These rules are complex and vary from state to state. Partners should be prepared for the possibility of filing tax returns in multiple jurisdictions and incurring tax liabilities in states other than their state of residence.

3.7 Changing Tax Laws and Uncertainty

The U.S. tax regime is subject to frequent change through legislation, regulation, and judicial interpretation. Significant uncertainty exists regarding the taxation of digital assets, decentralized finance (“DeFi”) activities, staking rewards, and similar innovations. Legislative or regulatory changes could materially alter the expected tax consequences of an investment in the Partnership.

There can be no assurance that current tax treatment of Partnership activities will not be adversely affected by future guidance, court decisions, or IRS positions. Such changes could be retroactive in effect and may apply to transactions entered into prior to the date of change.

4. Market Risks

4.1 General Market Volatility

Financial markets are inherently volatile and unpredictable. The Partnership’s investments may be subject to sudden and extreme price fluctuations, which can be exacerbated by unexpected economic events, geopolitical developments, or systemic crises. Market volatility may result in rapid losses that exceed expectations, even where risk management procedures are in place.

Market downturns may occur without warning and may persist for prolonged periods. Historical data may provide limited guidance in predicting future market conditions. The General Partner cannot guarantee that its investment strategies will successfully navigate periods of heightened volatility or that investor capital will be preserved.

4.2 Correlation and Diversification Risks

The Partnership seeks to achieve diversification across asset classes, including digital assets, equities, commodities, and cash. However, diversification cannot eliminate the risk of loss. Correlations among asset classes may increase during times of market stress, reducing the benefits of diversification.

For example, equities and digital assets, which are often assumed to be uncorrelated, have demonstrated periods of strong positive correlation, particularly during liquidity-driven crises. Similarly, commodities and equities may decline in tandem during global recessions. A breakdown in historical correlation patterns may cause greater-than-expected portfolio drawdowns.

4.3 Systemic Risk and Contagion

Global financial markets are interconnected. Distress in one sector, asset class, or geography may spread rapidly to others through contagion effects. Events such as the 2008 financial crisis, the 2020 pandemic-driven selloff, and the collapse of major financial institutions illustrate the potential for systemic risk.

The Partnership is exposed to contagion risk through its use of counterparties, custodians, and exchanges. A failure or default by a major financial institution, prime broker, or clearinghouse could impair the Partnership's ability to trade or access its assets.

Digital assets present heightened systemic risk due to the potential failure of centralized exchanges, stablecoin de-pegging, or large-scale hacks. Such events may destabilize the entire ecosystem and significantly impact valuations, liquidity, and confidence.

4.4 Liquidity Risks

Liquidity in financial markets can vary dramatically depending on the asset class, time of day, and prevailing conditions. Certain assets, particularly smaller-cap equities, thinly traded commodities, or less liquid digital assets, may experience sharp price movements due to limited order book depth.

During periods of stress, liquidity may dry up entirely, preventing the Partnership from exiting positions without incurring substantial losses. Forced liquidations by other market participants may further exacerbate illiquidity and cause prices to gap lower.

Digital assets are particularly vulnerable to liquidity fragmentation across multiple exchanges, some of which may lack transparency, robust market-making, or regulatory oversight. In such environments, bid-ask spreads may widen significantly, execution quality may deteriorate, and slippage may materially impact returns.

4.5 Interest Rate and Inflation Risks

Movements in interest rates and inflation expectations directly affect financial markets. Rising interest rates generally depress equity valuations, increase the cost of leverage, and alter the relative attractiveness of asset classes. Inflation may erode real returns and increase input costs for companies, leading to broad-based declines in equity and commodity markets.

Unexpected shifts in monetary policy by the Federal Reserve or other central banks may cause sharp repricing across asset classes. The Partnership cannot predict the timing, magnitude, or direction of such policy changes, and its strategies may not adapt quickly enough to avoid losses.

4.6 Currency and Foreign Exchange Risks

The Partnership may invest in assets denominated in currencies other than the U.S. dollar. As a result, fluctuations in foreign exchange rates may impact the value of investments. Even if underlying asset prices remain stable, adverse currency movements may result in losses when translating foreign positions back into U.S. dollars.

Foreign exchange markets are influenced by complex factors including trade balances, interest rate differentials, political developments, and capital flows. Unexpected devaluations, government interventions, or capital controls may impair the liquidity and value of foreign currency holdings.

4.7 Commodity-Specific Risks

Commodity markets are subject to unique supply-and-demand dynamics that may be influenced by weather conditions, geopolitical tensions, government policies, and technological developments. Prices for commodities such as oil, natural gas, and agricultural products may fluctuate sharply due to factors beyond the Partnership's control.

Additionally, commodities may experience prolonged periods of contango or backwardation, which may negatively affect returns from futures-based strategies. Sudden shocks such as OPEC announcements, natural disasters, or embargoes may cause extreme volatility.

4.8 Digital Asset Market Risks

Digital asset markets are nascent, fragmented, and highly speculative. Valuations of cryptocurrencies and tokens may fluctuate by double-digit percentages within a single trading day. Unlike traditional markets, digital assets often trade continuously on unregulated exchanges that may lack sufficient oversight, transparency, or investor protections.

Market manipulation is a significant concern in digital assets, with risks of wash trading, spoofing, pump-and-dump schemes, and other abusive practices. Regulatory bodies have limited jurisdiction over offshore exchanges, making detection and enforcement difficult.

The Partnership may be exposed to extreme losses in the event of sudden exchange shutdowns, stablecoin failures, or large-scale hacks. The collapse of a major exchange, as occurred with FTX in 2022, highlights the risk of catastrophic counterparty failures in this market.

4.9 Geopolitical and Political Risks

Geopolitical instability, including armed conflicts, terrorism, trade wars, sanctions, and regime changes, may materially impact global markets. For example, sanctions against major commodity-producing nations may disrupt supply chains and cause price spikes. Similarly, conflicts in critical regions may undermine investor confidence and trigger capital flight.

Political instability in emerging markets may pose risks to the Partnership's investments. Sudden changes in government, capital controls, or expropriation of assets may materially impair investment value. Even in developed markets, political developments such as unexpected election results, fiscal policy disputes, or debt ceiling crises may generate market turbulence.

4.10 Event-Driven and Black Swan Risks

Markets may be impacted by unforeseen "black swan" events that fall outside the scope of historical precedent. Examples include pandemics, natural disasters, cyberattacks on financial infrastructure, and systemic breakdowns of market functioning. These events are inherently unpredictable and may lead to rapid and severe losses.

The Partnership's models, which are based on historical data, may be unable to anticipate such events. Risk management systems may fail under stress, leaving the Partnership vulnerable to outsized drawdowns.

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5. Conflicts of Interest Risks

5.1 General Conflicts of Interest

The General Partner, the Management Company, and their respective affiliates will be subject to various conflicts of interest in connection with the management of the Partnership. These conflicts may arise as a result of relationships with affiliated entities, allocation of opportunities among clients, service provider arrangements, and other circumstances. While the General Partner will seek to resolve conflicts fairly, there can be no assurance that such conflicts will be resolved in a manner favorable to the Partnership.

5.2 Management of Multiple Accounts

The General Partner and the Management Company may manage accounts, funds, or investment vehicles other than the Partnership. These other accounts may pursue investment strategies similar to, or different from, those pursued by the Partnership. Investment opportunities identified by the General Partner may be allocated among the Partnership and such other accounts.

Although the General Partner will endeavor to allocate opportunities fairly, there is no assurance that the Partnership will receive priority in allocations. Other accounts may be allocated more favorable investment opportunities, potentially resulting in reduced performance for the Partnership.

5.3 Allocation of Time and Attention

The General Partner, its principals, and employees are not required to devote their full time to the affairs of the Partnership. They may engage in other business activities, including the management of other funds, advisory services, or personal investments. As a result, the time and attention devoted to the Partnership may be limited.

This diversion of resources may impair the Partnership’s performance or delay the implementation of trading decisions.

5.4 Personal Trading and Insider Knowledge

Principals and employees of the General Partner and the Management Company may trade for their own accounts in securities, digital assets, or other instruments in which the Partnership invests. Although policies will be established to mitigate conflicts, such personal trading may create the appearance or reality of conflicts of interest.

There is a risk that employees may benefit from knowledge of Partnership trading strategies or may inadvertently front-run or parallel trade alongside the Partnership. While compliance procedures will seek to monitor and restrict such activities, complete elimination of this risk cannot be assured.

5.5 Service Provider Conflicts

The General Partner and its affiliates may select service providers for the Partnership, including administrators, custodians, prime brokers, auditors, and legal counsel. Certain of these service providers may also provide services to the General Partner or its affiliates. These dual relationships may create conflicts of interest, particularly if disputes arise regarding performance, fees, or obligations.

In some cases, affiliates of the General Partner may receive compensation for providing services to the Partnership. Such arrangements will not necessarily be negotiated on an arm's-length basis, and may result in terms less favorable than those available from independent providers.

5.6 Valuation Conflicts

The General Partner has discretion in valuing certain illiquid or thinly traded assets held by the Partnership. Because the General Partner's compensation is based in part on asset values, conflicts of interest may arise in connection with valuation determinations.

Although the General Partner intends to apply consistent and fair valuation policies, such discretion creates potential for overvaluation, which may inflate management fees or performance allocations. Investors should recognize that valuations may differ materially from realizable market values.

5.7 Performance-Based Compensation

The General Partner is entitled to a performance allocation based on the Partnership's net profits. This compensation structure may create an incentive to pursue riskier or more speculative strategies than would otherwise be the case.

The incentive to generate short-term gains may conflict with the long-term interests of investors. Furthermore, the General Partner may have an incentive to defer recognition of losses or accelerate recognition of gains in order to maximize performance compensation.

5.8 Investments in Affiliated Entities

The Partnership may invest in securities or assets issued or managed by affiliates of the General Partner. Such investments may generate fees or compensation for the affiliate in addition to those earned by the General Partner through the Partnership.

These arrangements create inherent conflicts of interest. Although the General Partner will seek to manage such conflicts, there is no assurance that such investments will be made on terms as favorable as those available from independent third parties.

5.9 Soft Dollar Arrangements

The Partnership may enter into “soft dollar” arrangements with brokers, whereby brokerage commissions generated by the Partnership are used to pay for research or other services that benefit the General Partner. While such arrangements may provide value, they may not directly benefit the Partnership and may create an incentive to direct trades to higher-cost brokers.

5.10 Side Letters and Differential Rights

The General Partner may enter into “side letter” agreements with certain investors, granting rights or benefits not available to other investors, such as reduced fees, enhanced reporting, or preferential liquidity terms. These arrangements may create conflicts of interest and may disadvantage other investors who do not receive such rights.

5.11 Related Party Transactions

The General Partner and its affiliates may engage in transactions with related parties. Such transactions may not be subject to arm’s-length negotiation and may result in terms less favorable to the Partnership than those available in the marketplace.

Although the General Partner will seek to disclose material related-party transactions, there is no assurance that all such transactions will be identified or disclosed to investors in advance.

5.12 Conflicts in Exit and Redemption Management

The General Partner has discretion in implementing redemption gates, suspension of withdrawals, and other liquidity management tools. Such discretion may create conflicts of interest if exercised in a manner that favors certain investors or affiliates.

In periods of stress, the General Partner may prioritize protecting the overall portfolio, even if doing so disadvantages investors seeking redemption.

Market Risks

Investing in the Interests involves exposure to a wide range of **market-related risks**, each of which could materially and adversely impact the performance of the Fund, the value of its portfolio, and ultimately the returns realized by investors. Prospective investors should carefully consider the following non-exhaustive list of market risks:

1. General Market Volatility

Financial markets, including equities, fixed income, commodities, and currencies, are subject to high levels of **volatility** arising from economic, political, regulatory, or social developments. Unexpected movements in interest rates, inflation levels, exchange rates, commodity prices, or investor sentiment can produce rapid changes in asset valuations. Even diversified portfolios may suffer sharp losses during periods of widespread market turbulence, and there can be no assurance that the Fund will be able to avoid or mitigate such impacts.

2. Systemic Risk and Contagion

The interconnected nature of global financial markets creates the potential for **systemic risk**. A disruption or failure in one sector (e.g., banking, credit markets, or sovereign debt) can have cascading effects across unrelated asset classes and geographies. Contagion risk is particularly acute during crises, when liquidity evaporates, correlations converge, and protective strategies may fail. Such conditions could impair the Fund's ability to execute trades, manage risk exposures, or realize intended hedges.

3. Liquidity Risk in Market Instruments

Certain instruments in which the Fund invests may become **illiquid** due to market conditions, regulatory restrictions, or diminished counterparty activity. Liquidity risk is magnified during stressed periods when market participants withdraw, bid/ask spreads widen, and exit costs increase substantially. Even assets generally regarded as "liquid" can become difficult to trade without incurring material losses. The Fund may be forced to sell securities at unfavorable prices or hold positions longer than anticipated, adversely affecting portfolio performance.

4. Correlation Risk

Strategies based on diversification may fail when asset classes, strategies, or geographies exhibit **unexpected correlations**. For example, during crises, equities, credit, commodities, and currencies often move in the same direction, undermining hedging strategies. Correlation breakdowns can render risk models ineffective, leaving the Fund exposed to simultaneous drawdowns across positions intended to be independent.

5. Interest Rate and Inflation Risks

Movements in **interest rates** and **inflation expectations** can significantly affect portfolio valuations, particularly for fixed-income instruments, derivatives, and leveraged strategies. Rising interest rates may reduce the value of bonds, increase borrowing costs, and pressure equities by raising discount rates. Unexpected inflation shocks can erode real returns, trigger central bank tightening, and alter relative value relationships across asset classes.

6. Currency Risk

The Fund's activities may involve assets denominated in **foreign currencies**. Exchange rate fluctuations can materially affect returns even when underlying securities perform as anticipated. Currency markets can experience sudden and severe moves driven by monetary policy shifts, trade imbalances, capital flows, or geopolitical events. Hedging strategies may not be available, cost-effective, or successful, leaving the Fund exposed to adverse FX movements.

7. Emerging Market Risk

To the extent the Fund invests in **emerging markets**, investors face heightened risks including political instability, underdeveloped legal systems, weaker regulatory oversight, and less transparent financial reporting. Markets in such jurisdictions may exhibit extreme volatility, shallow liquidity, and higher susceptibility to capital flight. Sovereign actions, such as capital controls or currency devaluation, can further impair portfolio performance.

8. Geopolitical and Event Risks

Wars, terrorist attacks, trade disputes, pandemics, natural disasters, and other **exogenous shocks** can destabilize markets globally. Such events are inherently unpredictable, and their impact can be immediate, severe, and prolonged. The Fund's risk management systems may not be able to anticipate or effectively respond to such events, leading to outsized losses.

9. Model and Assumption Risk in Market Analysis

The Fund may rely on **quantitative models, algorithms, and historical assumptions** to guide investment decisions. Such models may fail to capture real-world complexity, especially during atypical market regimes or structural shifts. Incorrect assumptions regarding volatility, correlation, or liquidity can lead to flawed risk assessments, mispriced exposures, and unexpected losses.

10. Market Timing and Execution Risk

The Fund's ability to generate returns is partly dependent on **execution quality** and timing. Delays in order placement, poor liquidity conditions, or technological disruptions can cause slippage, missed opportunities, or higher-than-expected costs. High-frequency volatility and fragmented market microstructures can exacerbate these execution risks.

Strategy-Specific Risks

In addition to the general operational, legal, tax, and market risks previously discussed, investors should recognize that the Fund's chosen investment approach carries **unique risks** tied to the specific strategies employed. These risks may amplify volatility, reduce diversification, and expose the Fund to concentrated losses under certain conditions.

1. Leverage and Margin Risk

The Fund may employ **leverage** through derivatives, margin trading, or borrowing. While leverage can magnify potential gains, it also significantly increases the potential for losses. A relatively small adverse movement in market prices can result in disproportionately large losses, potentially exceeding the capital allocated to a position. Margin requirements may also change unexpectedly, forcing liquidations at unfavorable prices or restricting the Fund's flexibility to pursue strategies.

2. Derivatives Risk

The Fund may use **options, futures, forwards, swaps, and other derivatives** for hedging, speculation, or exposure management. Derivative instruments can be highly volatile, illiquid, and sensitive to leverage effects. They may also expose the Fund to **counterparty risk**, as performance depends on the solvency of the other party to the transaction. Mispricing, valuation complexity, and limited transparency further heighten derivatives-related risks.

3. Concentration Risk

The Fund may take **concentrated positions** in specific asset classes, sectors, geographies, or instruments, based on perceived high-conviction opportunities. Such concentration magnifies both upside and downside potential, leaving the Fund particularly vulnerable to shocks affecting its focal exposures. A single adverse event in a concentrated sector could significantly impair portfolio performance.

4. Illiquidity and Restricted Exit Strategies

Certain strategies may involve **thinly traded or private instruments** with limited secondary markets. In stressed environments, these positions may become unmarketable, requiring extended holding periods or sales at distressed prices. Restrictions on transferability, lock-up provisions, or counterparty-imposed limits may further restrict the Fund's ability to exit investments when desired.

5. Order Flow and Market Microstructure Risk

The Fund’s reliance on **order flow analysis and market microstructure patterns** introduces risks tied to the accuracy, timeliness, and interpretation of such data. Market depth, bid/ask spreads, hidden liquidity, and spoofing or layering activity by other participants can distort signals. Moreover, reliance on external data feeds and execution venues increases vulnerability to latency, manipulation, or systemic errors in interpreting flow.

6. Model-Driven and Quantitative Strategy Risk

Strategies dependent on **quantitative models, algorithms, or AI-driven decision frameworks** may fail if underlying assumptions prove invalid. Models are inherently backward-looking and may not adapt to regime shifts, structural breaks, or extreme events. Over-optimization to historical data (so-called “curve fitting”) can create a false sense of precision and result in unexpected losses when deployed in live markets.

7. High-Frequency Trading and Execution Risk

If the Fund employs **short-term or high-frequency trading techniques**, performance may be materially affected by transaction costs, latency, and competition from better-capitalized market participants. Market access constraints, exchange rules, and technology failures can quickly erode the profitability of such strategies. Even temporary system outages may result in unrecoverable losses.

8. Short Selling Risk

The Fund may engage in **short sales** of securities or instruments. Short selling involves theoretically unlimited risk, as the price of a security sold short can rise without bound. Short positions also carry the risk of forced buy-ins, dividend or interest payment obligations, and increased margin requirements. In times of market stress, regulators may impose restrictions on short selling, reducing the Fund’s flexibility.

9. Hedging Risk

The Fund may implement **hedging strategies** to reduce downside exposure. However, hedges may prove imperfect, unavailable, or costly, and may fail to provide the intended protection. A hedge may also eliminate potential gains, or worse, create new risks that were not initially anticipated.

10. Dependence on Key Investment Personnel and Strategy Execution

The Fund’s success depends heavily on the skill, judgment, and execution ability of its **portfolio managers and investment team**. The departure, unavailability, or underperformance of key individuals could materially impair the Fund’s ability to carry out its strategy. Similarly, poor execution of the strategy—whether due to errors in trade placement, misinterpretation of signals, or delays—could significantly reduce returns.

Counterparty and Credit Risks

The Fund's strategies necessarily involve exposure to a wide range of **counterparties**—including prime brokers, custodians, trading venues, swap dealers, and settlement agents. The failure of any such counterparty to perform its contractual obligations could materially and adversely affect the Fund's performance, liquidity, and solvency.

1. Prime Broker and Custodian Risk

The Fund relies on **prime brokers and custodians** to hold assets, extend margin financing, and facilitate trading activities. In the event of the insolvency or operational failure of such entities, the Fund may experience delays, losses, or restrictions in accessing its assets. Assets may be subject to rehypothecation or commingling with the broker's own accounts, reducing protections available to the Fund in bankruptcy proceedings.

2. Clearing and Settlement Risk

Trades executed by the Fund are subject to **clearing and settlement systems**, which may fail or experience delays. A counterparty's failure to deliver securities or cash as expected can create mismatches, forcing the Fund to bear unhedged exposures or funding costs. In extreme cases, systemic stress on clearinghouses can disrupt the Fund's ability to settle transactions altogether.

3. Swap and Derivatives Counterparty Risk

When entering into **swaps, forwards, and other bilateral derivatives**, the Fund depends on the creditworthiness of its counterparties. Should a counterparty default, the Fund may lose the value of its derivative positions, be forced to replace them at unfavorable terms, or suffer disruptions in its risk management programs. Netting agreements and collateral arrangements reduce but do not eliminate this risk.

4. Concentration of Counterparty Exposure

The Fund may establish significant exposure with a small number of counterparties, either due to strategic relationships or market necessity. Concentrated counterparty risk increases vulnerability to the financial condition of a single broker, dealer, or exchange. The insolvency or downgrade of a major counterparty could have an outsized impact on the Fund.

5. Offshore Exchange Risk

The Fund anticipates engaging in trading activity through **offshore exchanges and trading venues**, particularly for digital asset exposures. Such venues may operate under limited regulatory oversight and may not provide the same degree of protection as U.S.-regulated exchanges. The risk of fraud, operational failure, hacking, or mismanagement at offshore venues could materially impair the Fund's assets.

6. Credit Risk of Issuers

Beyond counterparty default risk, the Fund also faces **credit risk from issuers** of securities or debt instruments in which it invests. The deterioration in the creditworthiness of an issuer—whether measured by credit rating, financial condition, or market perception—may reduce the value of the Fund's holdings, even in the absence of default.

7. Systemic Risk and Domino Effects

A major default by a counterparty or clearing member can trigger **systemic cascades**, impairing other financial institutions and markets. In such an environment, correlations among counterparties tend to increase, reducing the protective value of diversification. The Fund could experience widespread and simultaneous disruptions across its counterparties during periods of market stress.

8. Collateral Management and Rehypothecation Risk

The Fund may post collateral to counterparties in connection with margin and derivatives positions. If such collateral is subject to **rehypothecation** or is held by the counterparty without sufficient segregation, the Fund may become an unsecured creditor in the event of insolvency. Recovery of such collateral could be delayed or incomplete.

9. Regulatory Changes Affecting Counterparties

Ongoing changes in global financial regulation—such as Basel III, Dodd-Frank, and EMIR—may impact the **capital, liquidity, and operational requirements** of the Fund's counterparties. Stricter regulation may reduce the availability of certain services or increase costs to the Fund. Conversely, regulatory gaps in offshore jurisdictions may expose the Fund to heightened risks of non-performance.

Liquidity Risks

The Fund's ability to execute its investment strategy, honor redemption requests, and manage portfolio exposures depends on the availability of liquidity across both asset markets and Fund operations. Liquidity constraints may arise suddenly, particularly during periods of market stress, resulting in significant adverse consequences for investors.

1. Market Liquidity Risk

The Fund may invest in instruments or markets that are not consistently liquid. During times of volatility, trading volumes may collapse, bid-ask spreads may widen significantly, and market depth may vanish, making it costly or impossible to execute transactions at desired prices. Such conditions may force the Fund to hold positions longer than intended or liquidate at fire-sale levels.

2. Fund-Level Liquidity and Redemption Pressure

Although the Fund permits redemptions after the initial lock-up period, investor redemption requests may place **liquidity stress** on the portfolio. Large or simultaneous withdrawals may require liquidation of positions at unfavorable prices, impairing overall Fund performance. Redemption gates and fees are designed to mitigate—but not eliminate—this risk.

3. Lock-Up, Gates, and Suspension of Withdrawals

The Fund's governing documents permit the General Partner to impose **lock-up periods, redemption gates, or suspensions of withdrawals** in order to protect remaining investors and preserve Fund stability. While such measures are prudent risk controls, they may also restrict investors' ability to access their capital when desired, creating opportunity costs or personal liquidity challenges for investors.

4. Illiquid Asset Risk

A portion of the Fund's portfolio may consist of **private placements, restricted securities, digital assets traded offshore, real estate interests, or alternative investments** that do not have an active secondary market. Such holdings may be difficult to value accurately and may not be readily saleable at fair value, particularly during market dislocations.

5. Fire-Sale Risk

In circumstances where the Fund must meet margin calls, collateral demands, or redemption obligations, it may be forced to sell assets quickly at depressed prices. Such **forced sales** can exacerbate losses, depress the Fund's net asset value, and further erode investor confidence.

6. Funding Liquidity Risk

The Fund may rely on **lines of credit, repo facilities, or margin financing** to support leveraged positions. In periods of market stress, lenders may tighten financing terms, demand additional collateral, or withdraw facilities altogether. A sudden withdrawal of funding could force rapid deleveraging at unfavorable prices.

7. Cross-Market Liquidity Mismatch

The Fund may hold a mix of **liquid and illiquid instruments** within the same strategy. In the event of a redemption request, the Fund may be forced to sell its more liquid positions first, leaving a concentration of illiquid or harder-to-sell assets. This mismatch increases the risk that remaining investors will bear disproportionate exposure to illiquid holdings.

8. Correlated Liquidity Events

Liquidity crises are often **systemic**, affecting multiple markets simultaneously. For example, during a financial crisis, even highly liquid securities such as government bonds or large-cap equities may experience dislocations. In such environments, correlations across asset classes rise, making diversification less effective and magnifying liquidity stress for the Fund.

9. Exchange and Venue Liquidity Risk

For digital assets and certain commodities, the Fund may rely on **specific exchanges or trading venues** where liquidity is fragmented or inconsistent. Outages, regulatory interventions, or operational failures at these venues could impair the Fund's ability to trade or exit positions at fair value.

10. Valuation Challenges in Illiquid Markets

Illiquidity complicates the process of **marking assets to market**. The Fund may need to rely on models, third-party pricing services, or manager discretion to determine valuations in illiquid environments. Such valuations may not reflect realizable exit prices, leading to uncertainty in net asset value reporting and investor redemptions.

Operational and Technology Risks (Expanded)

The Fund's operations depend heavily on the effective integration of personnel, systems, service providers, and processes. Breakdowns or failures in any of these areas may result in material financial losses, compliance violations, or reputational harm.

1. Reliance on Technology and Systems

The Fund employs sophisticated **trading platforms, execution algorithms, and portfolio management systems** to carry out its strategy. Any disruption, failure, or malfunction of hardware, software, or network infrastructure may impede the Fund's ability to trade, monitor positions, or value assets accurately. Even brief outages can result in missed opportunities or significant trading losses.

2. Cybersecurity and Data Breach Risk

The Fund faces risks from **cyberattacks, data breaches, phishing, ransomware, and other malicious activities** that could compromise sensitive investor data, proprietary models, or operational continuity. A breach could result in regulatory penalties, litigation, reputational harm, and financial losses. The Fund’s reliance on third-party vendors further increases exposure to cybersecurity vulnerabilities.

3. Artificial Intelligence and Model Risk

The Fund’s investment process relies on **AI-driven models, machine learning algorithms, and quantitative frameworks**. These models are subject to design errors, incorrect assumptions, and incomplete data inputs. They may fail to adapt to shifting market regimes or produce false signals. Overfitting to historical data can result in poor real-world performance. Investors should recognize that reliance on AI introduces risks of unforeseen and potentially catastrophic losses.

4. Data Quality and Integrity Risk

Investment decisions are based on **market data, order flow feeds, and third-party information sources**. Inaccurate, incomplete, or delayed data may result in poor investment decisions or mispriced transactions. Data vendors and exchanges may alter, restrict, or discontinue services at any time, potentially disrupting the Fund’s models and trading strategies.

5. Dependence on Third-Party Service Providers

The Fund relies on **administrators, auditors, custodians, prime brokers, data vendors, and technology providers** for critical services. Failures or errors by such service providers can directly impact Fund operations, NAV calculations, and regulatory compliance. In some cases, contractual remedies may be limited, leaving the Fund exposed to unrecoverable losses.

6. Human Error and Key Person Risk

Operational processes are susceptible to **mistakes by employees, contractors, or service providers**. Errors in trade execution, valuation, reporting, or compliance can lead to significant financial losses. The Fund also depends on key investment personnel; the loss, incapacity, or departure of senior managers or technology architects could materially impair the Fund’s ability to operate effectively.

7. Business Continuity and Disaster Recovery Risk

Natural disasters, power outages, pandemics, geopolitical conflict, or terrorist attacks could disrupt the Fund’s operations. While the Fund maintains **business continuity and disaster recovery procedures**, no system can eliminate the risk of disruption. Extended downtime may prevent the Fund from executing trades, fulfilling redemptions, or maintaining compliance obligations.

8. Regulatory Technology Risk

The Fund must comply with complex regulatory frameworks across multiple jurisdictions. Compliance depends on **regulatory technology systems** for monitoring, reporting, and record-keeping. Failures or inaccuracies in these systems could lead to violations, fines, or disqualification from certain markets.

9. Rapid Technological Obsolescence

Financial technology evolves rapidly, and strategies that depend on advanced systems or data feeds may quickly become outdated. Competitors with greater resources may deploy superior systems, eroding the Fund's competitive advantage. The cost of continuous upgrades and adaptation may strain operational resources.

10. Outsourcing Risk

Where functions are outsourced, such as **cloud hosting, IT infrastructure, or data analytics**, the Fund remains exposed to the operational resilience of third parties. Outsourced providers may suffer outages, breaches, or financial instability that affect the Fund's operations. Reliance on offshore outsourcing arrangements may introduce additional jurisdictional and regulatory uncertainties.

Regulatory and Compliance Risks (Expanded)

The Fund operates within an increasingly complex and evolving global regulatory framework. Compliance with these rules is critical to maintaining the Fund's operations, reputation, and investor protections. However, regulatory developments are often unpredictable, vary across jurisdictions, and may impose significant costs or restrictions on the Fund.

1. U.S. Securities and Exchange Commission (SEC) Oversight

Although the Fund is offered under **Regulation D, Rule 506(b)**, and is exempt from SEC registration as an investment company, the Fund, the General Partner, and the Management Company remain subject to various provisions of U.S. federal securities laws. Any violation—whether through marketing practices, disclosure failures, or operational missteps—could result in **civil enforcement, fines, or sanctions**.

2. Commodity Futures Trading Commission (CFTC) Exposure

Given the Fund's potential trading in **futures, options, and swaps**, it may be subject to regulation by the **CFTC** and the **National Futures Association (NFA)**. Registration or exemption filings may be required. Non-compliance, whether intentional or inadvertent, could restrict the Fund's ability to execute certain strategies and result in penalties.

3. Anti-Money Laundering (AML) and Know Your Customer (KYC) Obligations

The Fund is subject to strict **AML and KYC regulations**, requiring verification of investor identity, source of funds, and ongoing monitoring of suspicious activities. Failure to maintain robust compliance programs may expose the Fund to regulatory scrutiny, fines, or reputational damage. These requirements may also delay or restrict investor subscriptions or redemptions.

4. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

The Fund must comply with **FATCA and CRS reporting obligations**, requiring disclosure of investor information to U.S. and foreign tax authorities. Non-compliance may result in **withholding taxes, fines, and potential loss of investor confidence**. These reporting requirements may impose operational burdens and create confidentiality concerns for investors.

5. Cross-Border Regulatory Risk

The Fund may trade in **foreign markets, offshore exchanges, and multiple asset classes**, subjecting it to regulations across different jurisdictions. Regulatory interpretations may differ, and compliance requirements may conflict or overlap. Sudden changes in foreign laws or restrictions on capital flows could impair the Fund’s strategies or result in forced divestments.

6. Evolving Digital Asset Regulations

Given the Fund’s intended allocation to **digital assets**, investors should recognize the heightened uncertainty in this regulatory space. Jurisdictions vary widely in their treatment of cryptocurrencies, tokens, and related instruments. Regulatory actions—including outright bans, exchange shutdowns, or classification of assets as securities—could materially affect the Fund’s ability to trade or hold such instruments.

7. Tax Compliance Risk

The Fund must comply with complex **federal, state, and international tax laws**, which are subject to change. Misinterpretation, misapplication, or retroactive changes in tax law may result in unexpected liabilities, penalties, or reduced investor returns. Investors may also be subject to diverse and potentially conflicting tax obligations across jurisdictions.

8. ERISA Considerations

The Fund may accept investments from **employee benefit plans subject to ERISA**. This introduces heightened fiduciary and compliance obligations. Failure to maintain exemptions and compliance safeguards could expose the Fund to regulatory action, penalties, or litigation.

9. Reporting and Disclosure Risks

The Fund must prepare **financial statements, investor reports, and regulatory filings** that comply with applicable standards. Errors, omissions, or delays in reporting may trigger regulatory inquiries, investor disputes, or reputational damage.

10. Enforcement and Penalty Risk

Regulators globally have stepped up enforcement actions in areas including insider trading, market manipulation, AML violations, and inadequate disclosures. Even inadvertent or minor compliance failures may result in significant fines, disgorgement of profits, restrictions on activities, or bans on key personnel.

ERISA AND BENEFIT PLAN INVESTOR CONSIDERATIONS

General

An investment in the Interests by a pension, profit-sharing, retirement, or other employee benefit plan subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or any entity whose assets are deemed to include "plan assets" under ERISA or the Internal Revenue Code of 1986, as amended (the "**Code**"), raises special considerations.

ERISA imposes duties on persons who are fiduciaries of plans subject to ERISA and prohibits certain transactions involving plan assets and "parties in interest." The fiduciary of a plan considering an investment in the Interests must determine that such investment is consistent with its fiduciary duties under ERISA, including:

- (i) that the investment is prudent in light of the overall portfolio of the plan,
- (ii) that the investment satisfies the diversification requirements of ERISA, and
- (iii) that the investment is consistent with the documents and instruments governing the plan.

In addition, fiduciaries must ensure that an investment does not result in a prohibited transaction.

Plan Asset Regulations

The U.S. Department of Labor has issued regulations (the “**Plan Asset Regulations**”) concerning the definition of “plan assets” for purposes of ERISA and the Code. Under the Plan Asset Regulations, if a plan acquires an equity interest in an entity that is neither a publicly offered security nor a security issued by a registered investment company, the plan’s assets may be deemed to include an undivided interest in the underlying assets of the entity, unless an exception applies.

One key exception is that if “benefit plan investors” (generally, ERISA plans, IRAs, and certain other plans) own less than 25% of the value of each class of equity interests (disregarding interests held by the General Partner or any person with discretionary authority over plan assets), the assets of the entity will not be deemed to include “plan assets.”

The General Partner intends to restrict investments by benefit plan investors, if necessary, to ensure that ownership of any class of Interests does not exceed this 25% threshold.

Prohibited Transactions

If the assets of the Partnership were deemed to constitute “plan assets,” transactions between the Partnership and “parties in interest” (within the meaning of ERISA) or “disqualified persons” (within the meaning of the Code) could be deemed to constitute prohibited transactions, unless an exemption applies. Certain prohibited transactions could result in excise taxes, penalties, or other liabilities under ERISA and the Code.

The General Partner intends to operate the Partnership in a manner designed to avoid the Partnership’s assets being deemed to constitute plan assets. However, no assurance can be given that the Department of Labor will not assert a contrary position.

Representations of Benefit Plan Investors

Each investor that is a benefit plan investor will be required to represent that:

- (i) its investment is consistent with applicable fiduciary duties,
- (ii) its acquisition and holding of the Interests will not result in a non-exempt prohibited transaction,
- (iii) it is not relying on the General Partner, the Partnership, or any affiliate as an ERISA fiduciary, and
- (iv) it has consulted with its own advisors regarding the appropriateness of the investment.

Fiduciary Disclaimer

The General Partner, its affiliates, and their respective employees and agents expressly disclaim any responsibility to act as fiduciary for any benefit plan investor. Each benefit plan investor must make its own independent determination regarding the investment.

SUBSCRIPTION PROCEDURES

General

Persons interested in subscribing for Interests in the Partnership must complete, execute, and deliver to the General Partner the following:

1. **Subscription Agreement** – which includes representations and warranties regarding investor status, suitability, and compliance with applicable securities laws.

2. **Investor Questionnaire** – confirming accredited investor status (and qualified purchaser status, if applicable).

3. **Anti-Money Laundering (AML) Certification** – including information required under the USA PATRIOT Act and related regulations.

4. **Payment of Capital Commitment** – in accordance with the instructions set forth below.

The General Partner will have sole discretion to accept or reject any subscription in whole or in part, regardless of whether the prospective investor meets all suitability standards. All decisions of the General Partner are final and binding.

Subscription Process

- **Delivery of Documents**: Completed subscription materials must be delivered to the General Partner at the address or electronic portal specified in the subscription instructions.

- **Review by General Partner**: Upon receipt, the General Partner will review the documents to determine compliance with investor eligibility standards.

- **Acceptance of Subscription**: Subscriptions will be accepted only upon written (or electronic) confirmation by the General Partner. No investor will become a Limited Partner until such acceptance.

- **Rejection of Subscription**: If a subscription is rejected, the subscription funds will be returned promptly (without interest or deduction).

Capital Contributions

Each investor's initial Capital Contribution must be paid in immediately available funds (U.S. dollars) by wire transfer to the account designated by the Partnership.

- Wire transfer instructions will be provided separately.
- No Interests will be deemed issued until full payment of the Capital Contribution has been received and accepted.

Subsequent Capital Contributions, if applicable, will be made pursuant to **Capital Call Notices** issued by the General Partner, which will specify the amount due and the due date for payment.

Investor Representations

By executing the Subscription Agreement, each investor represents, warrants, and agrees, among other things, that:

- (i) it is acquiring the Interests for investment purposes only and not with a view to resale or distribution,
- (ii) it is an "accredited investor" (and a "qualified purchaser," if applicable),
- (iii) it has received and reviewed this Private Placement Memorandum and had the opportunity to ask questions,
- (iv) it is not relying on the Partnership, the General Partner, or any affiliate for investment, tax, legal, or accounting advice,
- (v) it has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the investment, and
- (vi) it understands the illiquidity of the Interests and the restrictions on transferability.

Closings

The General Partner may hold one or more closings on the sale of Interests at such times as it determines in its sole discretion. Each accepted subscriber will be admitted as a Limited Partner of the Partnership effective as of the date of the closing at which such subscriber's Capital Contribution is accepted.

Minimum Investment

The minimum Capital Commitment required to subscribe for Interests is **$[___]**, although the General Partner may, in its sole discretion, accept subscriptions for lesser amounts.

Investor Eligibility Standards

The Interests are being offered only to investors who qualify as **accredited investors** under Regulation D of the Securities Act and, if applicable, as **qualified purchasers** under the Investment Company Act. The General Partner reserves the right to impose additional eligibility standards or to reject subscriptions for any reason.

Anti-Money Laundering Compliance

In compliance with applicable anti-money laundering ("AML") laws and regulations, including the USA PATRIOT Act, the Partnership will require prospective investors to provide information verifying identity and source of funds. Subscriptions may not be accepted, or Interests may be redeemed, if the Partnership determines that the investor has not provided sufficient information to meet AML requirements.

TRANSFER RESTRICTIONS

The Interests are **restricted securities** and may not be sold, transferred, or otherwise disposed of except in accordance with the restrictions set forth below and under applicable federal and state securities laws. Prospective investors should carefully review the following limitations before investing.

1. Restrictions Under Federal Securities Laws

The Interests are being offered and sold in reliance on the **exemption from registration** provided by Rule 506(b) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, the Interests may not be offered, sold, or transferred except:

- pursuant to a registration statement under the Securities Act, which the Partnership has no obligation to file; or

- pursuant to an exemption from registration under the Securities Act, and in compliance with any applicable state securities laws.

2. Restrictions Under State Securities Laws

In addition to federal restrictions, the Interests may be subject to **state “blue sky” laws**, which may limit or restrict transfer. Compliance with such laws is the responsibility of the transferring Limited Partner and the transferee, and any transfer must be approved in writing by the General Partner.

3. General Partner Approval

No Limited Partner may **sell, assign, pledge, or otherwise transfer** any Interest without the prior written consent of the General Partner, which may be withheld in its sole discretion. Any attempted transfer without such approval will be null and void and of no force or effect.

4. Conditions to Transfer

The General Partner may condition any transfer on:

- delivery of a written opinion of counsel satisfactory to the General Partner that the proposed transfer complies with all applicable securities laws;
- receipt of any documentation reasonably requested to verify investor eligibility; and
- compliance with the Partnership Agreement and any applicable redemption or transfer restrictions.

5. Restrictions on Transfers to ERISA or Benefit Plan Investors

Transfers of Interests to employee benefit plans subject to ERISA, the Code, or other similar regulations are restricted to prevent the Fund’s assets from being deemed “plan assets,” as discussed in the ERISA considerations section. Any transfer that would result in the Partnership holding plan assets in excess of permitted thresholds will be prohibited.

6. Legend on Certificates or Account Statements

Each certificate or account statement evidencing an Interest, if issued, will bear a **legend** stating that the Interest has not been registered under the Securities Act or any state securities laws and describing the restrictions on transferability. Removal of such legend will require compliance with the procedures outlined above.

7. Right of First Refusal and Repurchase Rights

The Partnership may exercise a **right of first refusal** or **repurchase rights** in the event a Limited Partner seeks to transfer all or part of its Interest. The General Partner may repurchase Interests at fair value, as determined in its sole discretion, to preserve compliance with investor eligibility restrictions or to maintain control over the ownership structure.

8. No Public Market

Investors should recognize that there is **no public market for the Interests**, and it is unlikely that one will develop. The Interests are illiquid, and any transfer will be subject to the restrictions described above. Limited Partners should be prepared to hold their Interests indefinitely and should not invest unless they can bear the economic risk of a long-term, illiquid investment.

9. Enforcement

Any purported transfer in violation of the above restrictions will not be recognized by the Partnership, and the General Partner may take all actions necessary to enforce compliance, including repurchasing the Interests or restricting rights associated with the Interests.

REDEMPTION POLICIES AND PROCEDURES

The Fund's redemption policies are designed to balance investor liquidity needs with the preservation of portfolio stability and the ability of the General Partner to implement its investment strategy effectively. Investors should carefully review the restrictions, notice requirements, and fees associated with redemptions.

1. Initial Lock-Up Period

Investors in the Fund are subject to a **twelve (12) month initial lock-up period** following the closing of their subscription. During this period, no redemptions will be permitted, except in the discretion of the General Partner under extraordinary circumstances.

2. Redemption Requests

After the initial lock-up period, Limited Partners may submit a **redemption request** to withdraw all or a portion of their Capital Account. Such requests must be:

- Submitted in writing or via the designated electronic portal;
- Received **at least 90 calendar days prior** to the intended redemption date; and
- Subject to approval by the General Partner, which will consider the impact on Fund liquidity and remaining investors.

3. Redemption Fees

- Redemptions made **within 24 months** of the initial investment are subject to a **2% redemption fee** of the amount redeemed, intended to discourage premature withdrawals.

- Redemption fees are credited to the Fund and allocated to the General Partner for the benefit of remaining investors.

4. Redemption Gates

- The General Partner may impose **redemption gates** to limit total redemptions to **25% of the Fund's NAV per quarter**.

- Any redemption requests exceeding this threshold may be **pro-rated** among requesting Limited Partners or deferred to subsequent periods.

- The purpose of gates is to maintain portfolio stability and avoid forced liquidation of positions at unfavorable prices.

5. Suspension of Redemptions

- In the event of extreme market disruption, liquidity constraints, or other extraordinary circumstances, the General Partner may **suspend redemptions temporarily**, as permitted under the Partnership Agreement.

- Suspension periods will be communicated to investors and will remain in effect until the General Partner determines that the Fund can resume redemptions safely.

6. Payment of Redemption Proceeds

- Redemption proceeds will be paid in **U.S. dollars** by wire transfer to the account designated by the Limited Partner.

- The General Partner will determine the **redemption price** based on the Fund's NAV as of the redemption date, calculated in accordance with the Partnership Agreement.

- Payment will be made **promptly** following acceptance of the redemption request, subject to applicable fees, gates, or suspension periods.

7. Effect on Capital Account

- Upon acceptance of a redemption request, the redeemed amount will be deducted from the Limited Partner's Capital Account, along with any applicable fees.
- Partial redemptions will reduce the investor's ownership proportionately, while maintaining remaining rights and obligations.

8. Special Circumstances

- The General Partner may, in its discretion, consider **in-kind redemptions** or transfers of assets in lieu of cash where liquidity is constrained.
- Any such arrangements will be executed at fair value as determined by the General Partner and in accordance with applicable legal and tax requirements.

9. No Guarantee of Redemption

Investors should understand that redemptions are **subject to the discretion of the General Partner**, the Fund's liquidity, and the Partnership Agreement. There is **no guarantee** that all or part of an investor's requested redemption will be satisfied on the requested date.

10. Notification and Record-Keeping

- All redemption requests must be documented and acknowledged by the Fund.
- The Fund maintains records of all requests, payments, and deferrals to ensure compliance with the Partnership Agreement, investor rights, and applicable regulations.

FEES AND EXPENSES

Investors should carefully review the Fund's fees and expenses, as these will reduce the returns available to Limited Partners. All fees are described in accordance with the Partnership Agreement and are calculated and allocated as set forth below.

1. Management Fee

- The Fund charges a **management fee of 2% per annum** of net assets under management, including assets acquired with leverage.
- The management fee is calculated **quarterly** based on the Fund's NAV as of the last business day of the prior quarter.

- The management fee is payable to the General Partner or its affiliates for services provided in the management of the Fund, including investment advisory, operational oversight, and administrative functions.

2. Performance Allocation (Carried Interest)

- The Fund allocates **20% of profits** to the General Partner as a performance allocation, subject to a **6% preferred return** to Limited Partners.
- The preferred return is calculated on an **annual basis** and is cumulative; a **high-water mark** is applied to ensure that the General Partner only earns performance allocation on net new profits.
- Performance allocations are calculated and accrued **quarterly** and are payable in cash or, at the discretion of the General Partner, in-kind.

3. Fund Expenses

The Fund bears all **ordinary and extraordinary expenses** incurred in connection with its operations, including but not limited to:

- Accounting and auditing fees;
- Legal and regulatory compliance costs;
- Custody and prime brokerage fees;
- Technology and data feed expenses;
- Insurance premiums;
- Travel and administrative costs associated with Fund management;
- Taxes or other governmental fees assessed on the Fund.

4. Allocation of Expenses

Expenses are generally **allocated pro-rata** among Limited Partners and the General Partner in accordance with the Partnership Agreement, except where specifically attributable to certain partners or transactions.

5. Transaction Costs and Brokerage Commissions

- The Fund incurs **transaction costs, commissions, and clearing fees** in connection with the purchase and sale of securities or derivatives.
- These costs are **borne by the Fund** and will reduce the net returns of investors.
- The General Partner may, in its discretion, engage brokers or dealers who provide research, execution, or other services, consistent with best execution principles.

6. Fee Offsets and Rebates

- Any fees, commissions, or other charges received by brokers, custodians, or service providers may be credited or rebated to the Fund at the General Partner's discretion.
- There is no guarantee that all such offsets will be applied in a manner that fully offsets Fund expenses.

7. Allocation of Net Profits and Losses

- After payment of management fees, performance allocations, and Fund expenses, net profits and losses are allocated to Limited Partners and the General Partner in accordance with the **Partnership Agreement**, which generally reflects the pro-rata share of capital contributions and the performance allocation structure.

8. Conflicts of Interest in Fee Arrangements

- Investors should note that **affiliates of the General Partner** may receive fees or other compensation for services provided to the Fund.
- Such arrangements may create **potential conflicts of interest**, which the General Partner intends to manage in accordance with fiduciary duties and industry best practices.

CONFLICTS OF INTEREST

The General Partner, the Management Company, and their affiliates may engage in other business activities, investments, and relationships that could create conflicts of interest with the Fund. Investors should carefully consider these potential conflicts before investing.

1. Allocation of Investment Opportunities

- The General Partner and its affiliates may manage multiple investment vehicles or accounts with similar strategies.
- Investment opportunities may be allocated among the Fund and other accounts at the discretion of the General Partner, consistent with its fiduciary duties and allocation policies.
- Investors should recognize that the Fund may not receive every opportunity that the General Partner considers.

2. Affiliated Transactions

- The Fund may transact with **affiliates of the General Partner**, including brokerage, execution, advisory, or other service arrangements.
- Such transactions will be conducted in accordance with customary industry practices and applicable law, but may present **potential conflicts of interest**.

3. Fee Conflicts

- The General Partner and its affiliates may receive **management fees, performance allocations, or other compensation** from multiple entities, which could create incentives that differ from those of the Fund.
- The General Partner intends to manage these conflicts through disclosure, adherence to fiduciary duties, and compliance procedures.

4. Principal Transactions

- In certain circumstances, the Fund may engage in **principal transactions** with the General Partner or its affiliates.
- Such transactions will be conducted at fair value, as determined by the General Partner, and in compliance with applicable legal requirements.

5. Allocation of Fund Resources

- The General Partner may allocate **time, personnel, or technology resources** among the Fund and other managed accounts.

- Limited Partners should understand that resources may be prioritized based on investment strategy, size of positions, or other business considerations.

6. Investments by General Partner or Affiliates

- The General Partner and its affiliates may co-invest alongside the Fund.

- These investments could create conflicts if the General Partner allocates opportunities in a manner that favors one party over another.

- Policies are in place to monitor and mitigate such conflicts, but there is **no guarantee** that all conflicts can be eliminated.

7. No Fiduciary Duty to Other Accounts

- While the General Partner owes fiduciary duties to the Fund and its Limited Partners, it may **simultaneously manage other accounts** with differing objectives, time horizons, or liquidity constraints.

- Limited Partners should recognize that the General Partner's fiduciary obligations are owed primarily to the Fund and are managed in the context of broader business activities.

8. Disclosure and Monitoring

- The General Partner maintains policies and procedures to **identify, monitor, and disclose conflicts of interest** to Limited Partners where required.

- Investors are encouraged to review these disclosures carefully and consider potential conflicts in the context of their investment objectives.

SERVICE PROVIDERS AND OPERATIONAL INFRASTRUCTURE

The Fund relies on a network of professional service providers to ensure operational efficiency, regulatory compliance, and proper administration of its investment activities. While these providers perform important functions, investors should recognize that reliance on third parties entails certain risks, including operational failures, errors, or delays.

1. Banking and Custody

- The Fund maintains **banking relationships** with JP Morgan Chase and Wells Fargo for operational cash management.
- Digital asset holdings and certain alternative investments may be held through **offshore or specialized custody providers**, selected for security, operational reliability, and regulatory compliance.
- While custodians are expected to safeguard Fund assets, no custodian can eliminate the risk of theft, cyberattack, or operational failure.

2. Fund Administrator

- A **fund administrator** will be engaged to calculate NAV, maintain books and records, and prepare financial reports.
- The administrator operates independently of the General Partner; however, errors or delays in valuation or reporting may impact investor distributions or perceived performance.

3. Auditor

- The Fund intends to retain an independent **auditor** to perform annual financial statement audits in accordance with U.S. GAAP or other applicable standards.
- The auditor provides assurance regarding the accuracy of financial reporting but cannot prevent market losses or operational errors.

4. Prime Broker

- A **prime brokerage arrangement** will be established to facilitate execution, leverage, and clearing of securities and derivative positions.
- The prime broker may provide financing, custody, and reporting services.
- The Fund may also engage multiple brokers to reduce counterparty concentration risk.

5. Technology Providers

- The Fund relies on **trading platforms, algorithmic engines, and data vendors** to execute its investment strategy.
- Technology providers are responsible for data integrity, execution reliability, and platform stability, but the Fund remains ultimately responsible for investment decisions.

6. Legal Counsel

- The General Partner engages **legal counsel** for regulatory compliance, drafting of agreements, dispute resolution, and monitoring changes in applicable law.
- Legal counsel provides guidance but cannot guarantee immunity from enforcement actions or regulatory penalties.

7. Insurance Providers

- The Fund maintains **directors & officers (D&O) insurance**, errors & omissions coverage, and other policies deemed necessary to mitigate operational and fiduciary risks.
- Insurance policies may contain exclusions and limits; coverage is subject to underwriting and claims procedures.

8. Operational Oversight

- The General Partner maintains an internal operations team to oversee coordination between service providers, ensure timely reporting, and maintain compliance with Fund policies.
- Periodic audits, reconciliations, and risk management procedures are conducted to detect and correct operational discrepancies.

9. Risks Related to Third-Party Providers

Investors should understand that reliance on third-party service providers introduces potential risks, including:

- Failure or insolvency of a service provider;
- Errors in NAV calculation, reporting, or execution;
- Conflicts of interest or competing priorities of providers;
- Cybersecurity or data breach risks;
- Regulatory non-compliance by a provider that may indirectly affect the Fund.

10. Selection and Oversight

The General Partner follows a **diligence and selection process** for service providers, including evaluation of experience, operational infrastructure, reputation, and financial stability. Ongoing monitoring and performance review are conducted to ensure compliance with contractual obligations and industry best practices.

VALUATION OF FUND ASSETS

The determination of the **Net Asset Value (NAV)** of the Fund and the valuation of individual portfolio holdings is critical for investor reporting, performance calculations, and the allocation of gains and losses. The Fund employs methodologies designed to reflect fair value while recognizing the unique characteristics of certain asset classes.

1. General Valuation Principles

- The NAV of the Fund is calculated **quarterly**, or more frequently at the discretion of the General Partner.
- NAV is determined by **subtracting Fund liabilities from Fund assets**, valued in accordance with methodologies described below.
- The General Partner has **sole discretion** to determine fair value, and such determinations are **binding on all investors**, subject to applicable law.

2. Publicly Traded Securities

- Equities and other publicly traded instruments are generally valued at **the last reported sale price on the primary exchange** where the security is traded.

- If a security has not traded on a given day, the General Partner may use the **most recent market price or an estimated fair value**.

3. Fixed Income and Derivatives

- Bonds, notes, and other fixed-income instruments are typically valued using **observable market prices or evaluated pricing models**, reflecting credit spreads, interest rates, and liquidity considerations.
- Derivative instruments, including options, swaps, and futures, are valued **mark-to-market** based on exchange prices, broker quotes, or internal pricing models.

4. Digital Assets and Cryptocurrencies

- Digital assets are valued based on **spot prices from multiple exchanges**, weighted for liquidity, volume, and market reliability.
- In cases of **illiquid or less frequently traded tokens**, the General Partner may apply **internal valuation models** considering recent trades, order book depth, and market sentiment.
- Valuations may fluctuate rapidly, and investors should recognize the **heightened volatility and valuation uncertainty** associated with digital assets.

5. Private and Illiquid Investments

- Real estate, art, or alternative investments will be valued using **independent appraisals, broker quotes, or internal valuation methodologies**.
- Illiquid investments may be subject to **discounts for marketability, liquidity, or other factors**.
- Investors should understand that illiquid investments may be **difficult to price accurately** and could affect the Fund's NAV.

6. Leverage and Borrowed Assets

- Positions acquired with leverage are included at **full market value**, with associated borrowings reflected as liabilities.

- Interest, fees, and other financing costs are **accrued and deducted** from NAV.

7. Valuation Committee

- The General Partner may appoint a **valuation committee** to review pricing, monitor methodologies, and address potential conflicts of interest.
- The committee ensures consistency and transparency in asset valuation, although ultimate authority rests with the General Partner.

8. Frequency and Reporting

- NAV calculations are performed **quarterly**, with reports provided to Limited Partners.
- Interim estimates may be issued for internal or operational purposes but are **not binding** for capital account or redemption purposes unless confirmed by the General Partner.

9. Risks Related to Valuation

Investors should recognize the following risks associated with asset valuation:

- Reliance on **third-party pricing or models** that may be inaccurate;
- **Rapidly changing market conditions** that affect valuation;
- **Illiquidity or lack of market data** for certain holdings;
- Potential **conflicts of interest** when internal models are used;
- **Inherent subjectivity** in valuing alternative or private investments.

TAX CONSIDERATIONS

This section provides a summary of certain U.S. federal, state, and foreign tax considerations relating to an investment in the Fund. It is intended for **informational purposes only** and does not constitute tax advice. Each investor should consult with their own **tax advisors** regarding the particular tax consequences of an investment in the Fund.

1. Taxation of the Fund

- The Fund is intended to be treated as a **partnership for U.S. federal income tax purposes**.
- As a partnership, the Fund generally **does not pay U.S. federal income tax** at the entity level. Instead, **income, gains, losses, deductions, and credits** are allocated to the Limited Partners in accordance with the Partnership Agreement.
- The Fund may be required to **file U.S. federal, state, and local partnership tax returns** and provide **Schedule K-1s** to each Limited Partner.

2. Allocation of Income, Gain, and Loss

- Each Limited Partner will be allocated **their pro-rata share of income, gain, loss, and deductions** as set forth in the Partnership Agreement.
- Allocations are generally made in accordance with **capital accounts** and are subject to special allocations required for tax purposes.

3. Preferred Return and Carried Interest

- The 6% preferred return and 20% performance allocation (carried interest) have specific **tax implications**.
- Performance allocations are generally treated as **partnership profits**, but under certain circumstances may be treated as **capital gain or ordinary income**, depending on the underlying assets and holding period.

4. State and Local Taxes

- Limited Partners may be subject to **state or local income taxes** on their share of the Fund's income, regardless of whether cash distributions are received.
- State tax treatment varies and may include filing requirements in multiple jurisdictions if the Fund invests across states.

5. Foreign Investors

- Foreign investors are subject to **U.S. withholding tax on certain types of U.S.-source income** (e.g., interest, dividends, and certain gains).

- The Fund may be required to **withhold taxes** on behalf of foreign investors and file appropriate documentation with the IRS.

- Foreign investors may also have **reporting obligations** in their home jurisdictions.

6. Passive Foreign Investment Company (PFIC) Considerations

- To the extent the Fund invests in foreign entities that qualify as **PFICs**, investors may be subject to **special tax rules**, including interest charges on certain distributions and gains.

- U.S. investors in PFICs should consult tax advisors regarding reporting and potential tax liability.

7. Digital Assets and Cryptocurrencies

- Gains and losses from the sale, exchange, or disposition of digital assets may be treated as **capital gain or ordinary income** depending on facts and circumstances.

- The IRS and foreign tax authorities are actively developing guidance regarding digital assets; therefore, tax treatment may be uncertain and subject to change.

8. Tax Reporting and Compliance

- The Fund will provide each investor with a **Schedule K-1** or other applicable tax reporting documentation for their records.

- Investors are responsible for **reporting and paying taxes** on allocated income, gains, and other tax attributes.

- Failure to report accurately may result in **penalties, interest, or additional tax liability**.

9. ERISA and Tax-Exempt Investors

- Tax-exempt investors, including ERISA plans, may be subject to **unrelated business taxable income (UBTI)** for certain investments, including leveraged positions or partnerships.

- Each tax-exempt investor should consult advisors regarding potential UBTI implications and other limitations.

10. Changes in Law

- Tax laws and regulations are subject to **change at any time**, including retroactive application, which could materially impact Fund results or investor obligations.
- The General Partner will endeavor to maintain compliance with all applicable tax laws, but **investors bear ultimate responsibility** for understanding and complying with their own tax obligations.

ANTI-MONEY LAUNDERING (AML) AND KNOW YOUR CUSTOMER (KYC) POLICIES

The Fund is committed to complying with all applicable **anti-money laundering laws, regulations, and guidance** in the jurisdictions in which it operates. Investors must provide information and documentation necessary for the Fund to comply with its legal obligations.

1. Regulatory Compliance

- The Fund and its service providers comply with **U.S. federal and state AML regulations**, including the USA PATRIOT Act and related rules.
- The Fund also monitors transactions to ensure compliance with applicable **foreign AML regulations**, including any obligations under FATCA, CRS, and other reporting frameworks.

2. Investor Identification

- Each prospective investor must provide sufficient documentation to establish their **identity, legal status, and source of funds**.
- Acceptable documents may include government-issued identification, corporate formation documents, beneficial ownership information, and financial statements.
- Additional documentation may be required for **foreign investors or politically exposed persons (PEPs)**.

3. Verification Procedures

- The Fund or its service providers will **verify investor information** using independent sources, databases, or other reliable means.

- The Fund reserves the right to **reject any subscription** or **suspend further transactions** if verification cannot be satisfactorily completed.

4. Reporting Suspicious Activity

- The Fund monitors transactions for **suspicious or unusual activity** that may indicate money laundering, terrorist financing, or other illicit conduct.

- Any such activity will be reported to the appropriate authorities in compliance with applicable law.

5. Ongoing Monitoring

- AML/KYC procedures are not limited to the initial subscription; the Fund may conduct **ongoing monitoring of investors and transactions**.

- Investors may be required to update documentation periodically to ensure continued compliance.

6. Restrictions and Consequences

- Investors who **fail to provide required information** or are identified as high-risk may have subscriptions rejected, transactions suspended, or Interests redeemed involuntarily.

- The Fund reserves the right to **terminate relationships** or report activity to authorities as required by law.

7. Confidentiality

- The Fund treats all investor information as **confidential**, except as required by law or regulation.

- Information provided for AML/KYC purposes is used solely for compliance and regulatory reporting.

8. Representations of Investors

- By subscribing to the Fund, each investor represents that they:
    - Are providing **accurate and complete information**;
    - Will **cooperate with AML/KYC requests**; and
    - Understand that failure to comply may result in **rejection, suspension, or redemption** of their Interests.

INVESTOR ELIGIBILITY AND REPRESENTATIONS

Investors in the Fund must meet certain **eligibility criteria** and make specific representations regarding their qualifications, investment experience, and understanding of the Fund's risks. These requirements ensure compliance with securities laws and protect the Fund and its Limited Partners.

1. Accredited Investors

- The Interests are offered **exclusively to accredited investors** as defined under Rule 501(a) of Regulation D of the Securities Act.
- Examples of accredited investors include:
    - Individuals with **net worth exceeding $1 million**, excluding primary residence;
    - Individuals with **income exceeding $200,000 per year** ($300,000 with spouse) for the last two years;
    - Entities such as trusts, partnerships, or corporations meeting specific asset or income thresholds.

2. Qualified Purchasers

- Certain investors may also qualify as **“qualified purchasers”** under Section 2(a)(51) of the Investment Company Act of 1940.
- Qualified purchasers are generally required for specific investment strategies or to participate in co-investments.

3. Foreign Investors

- Foreign investors must comply with applicable **U.S. and local securities and tax regulations**.
- Subscriptions by foreign investors may require additional documentation, including **W-8BEN or equivalent certifications**, FATCA compliance forms, and local tax reporting documents.

4. Institutional Investors

- Institutional investors, including **family offices, endowments, and qualified institutional buyers**, may be eligible, subject to compliance with applicable regulations.
- The General Partner may request **additional information** regarding the institution’s legal status, governing documents, and authorization to invest.

5. Investor Representations

By subscribing to the Fund, each investor represents and warrants that they:

1. Are acquiring Interests **for investment purposes only** and not with a view to resale;
2. Meet all applicable **eligibility requirements** (accredited, qualified purchaser, or institutional);
3. Have **received, read, and understood** the Private Placement Memorandum, including all risk factors;
4. Have **sufficient knowledge and experience** to evaluate the merits and risks of the investment;
5. Will **provide all requested documentation** for AML/KYC, tax, or regulatory compliance;

6. Understand that **Interests are illiquid**, may not be transferred freely, and may be subject to redemption restrictions;

7. Acknowledge that the General Partner **may reject any subscription** in its sole discretion.

6. Covenants of Investors

- Investors agree to **notify the Fund promptly** of any change in status that would affect their eligibility to remain a Limited Partner.

- Investors also agree to **cooperate with the Fund** in providing information necessary for regulatory reporting, tax compliance, and AML/KYC monitoring.

7. Verification

- The General Partner or its service providers may **verify investor status** using documentation provided in the subscription process.

- Investors understand that **submission of false or incomplete information** may result in rejection of the subscription or involuntary redemption of Interests.

8. No General Solicitation

- In accordance with Rule 506(b) of Regulation D, **no general solicitation or advertising** is used in connection with the Fund offering.

- All investors must have **pre-existing relationships** with the Fund or its affiliates and meet eligibility requirements prior to subscription.

ERISA AND TAX-EXEMPT INVESTOR CONSIDERATIONS

Certain investors, including retirement plans, governmental plans, and other tax-exempt entities, may be subject to **special rules under ERISA, the Internal Revenue Code, and related regulations**. This section outlines key considerations for such investors.

1. ERISA Investors

- ERISA governs employee benefit plans subject to the **Employee Retirement Income Security Act of 1974**.
- Investments by ERISA plans in the Fund must **not cause the Fund's assets to be treated as plan assets** under ERISA.
- The Fund relies on representations from investors regarding ERISA status and **compliance with prohibited transaction rules**.

2. Tax-Exempt Investors

- Tax-exempt investors, including **foundations, endowments, and charitable organizations**, may be subject to **Unrelated Business Taxable Income (UBTI)** rules.
- Investments using leverage, derivatives, or certain pass-through entities may generate **UBTI**, which could be taxable to the investor.
- Investors should consult their own tax advisors regarding **potential tax consequences**.

3. Prohibited Transactions

- ERISA and tax-exempt investors must avoid **prohibited transactions** with parties in interest or disqualified persons.
- The Fund is structured to **minimize the risk of prohibited transactions**, but investors bear ultimate responsibility for compliance.

4. Reporting Requirements

- ERISA plans and tax-exempt entities may have additional **reporting obligations** related to their investment in the Fund.
- Investors are responsible for **timely filing and disclosure** to the relevant regulatory authorities.

5. Representations of ERISA and Tax-Exempt Investors

By investing in the Fund, such investors represent that they:

1. Are eligible to invest under ERISA or tax-exempt status;

2. Understand and accept potential **UBTI, prohibited transaction, and other regulatory risks**;

3. Will **comply with all applicable fiduciary and reporting obligations**;

4. Will provide **information and documentation** as reasonably requested by the Fund or its service providers.

6. Fund's Reliance on Investor Representations

- The Fund relies on the representations and covenants of ERISA and tax-exempt investors to maintain compliance with applicable law.

- Any failure by an investor to meet these requirements may result in **redemption, withholding, or other actions** to protect the Fund and its Limited Partners.

7. Limitations

- Nothing in this section constitutes legal or tax advice.

- Investors are urged to consult their own **legal and tax advisors** regarding ERISA and tax-exempt investment considerations.

REGULATORY MATTERS AND COMPLIANCE

The Fund and its affiliates are subject to various U.S. federal and state securities laws, as well as applicable foreign regulations. Compliance with these requirements is essential for the Fund to maintain its offering exemption and operate lawfully.

1. Regulation D and Rule 506(b)

- The Fund is offered pursuant to **Rule 506(b) of Regulation D** under the Securities Act of 1933.

- No general solicitation or advertising is used, and only **accredited investors** may participate.

- The Fund maintains records demonstrating investor eligibility in accordance with SEC guidance.

2. Securities Law Compliance

- Interests in the Fund are **restricted securities** and may not be transferred except in compliance with applicable laws and the Partnership Agreement.
- The Fund will comply with **SEC reporting and filing requirements** as applicable to a private fund.
- The General Partner may periodically review legal developments to ensure ongoing compliance.

3. State Blue Sky Compliance

- The Fund intends to comply with applicable **state securities registration or exemption requirements**.
- State filings may include notices of sale, fees, and investor disclosures, depending on the jurisdiction.

4. Foreign Regulations

- Foreign investors must comply with the securities laws of their country of residence.
- The Fund may restrict or reject subscriptions from jurisdictions that impose **stringent regulatory or tax requirements**.

5. Anti-Fraud and Insider Trading

- The Fund and its personnel comply with U.S. **anti-fraud provisions**, including prohibitions against misleading statements or manipulative trading.
- The General Partner enforces policies to prevent **insider trading or misuse of nonpublic information**.

6. Recordkeeping and Reporting

- The Fund maintains comprehensive **records of subscriptions, redemptions, allocations, and transactions** in accordance with applicable regulations.
- Investors may receive periodic reports to comply with SEC guidance or internal governance standards.

7. Conflicts with Regulations

- Certain investment strategies, including leverage, derivatives, or digital asset trading, may be subject to **evolving regulatory frameworks**.
- The Fund may modify or restrict its activities to remain in compliance with applicable laws and guidance.

8. Legal Counsel and Compliance Oversight

- The Fund retains **legal counsel and compliance personnel** to monitor regulatory developments, advise on filing obligations, and manage regulatory inquiries.
- The General Partner relies on these professionals but ultimately remains responsible for ensuring compliance.

9. Potential Regulatory Risks

- Changes in laws, regulations, or enforcement practices could **impact the Fund's operations, performance, or investor obligations**.
- Investors should recognize that regulatory risks may be material and beyond the control of the Fund or General Partner.

SUBSCRIPTION PROCEDURES AND INVESTOR DOCUMENTATION

Investors must follow the procedures outlined below to subscribe for Interests in the Fund. Proper completion of all documentation is required for the General Partner to accept a subscription.

1. Subscription Process

- Prospective investors must **complete and submit a Subscription Agreement**, accompanied by all required supporting documentation.

- The General Partner reserves the right to **accept or reject any subscription in whole or in part** in its sole discretion.

- Subscriptions may be accepted **subject to minimum investment requirements** and compliance with applicable law, including Rule 506(b).

2. Required Documentation

Investors must provide the following documents and certifications:

1. **Subscription Agreement** – executed by the investor and, if applicable, the investor's authorized representative;

2. **Accredited Investor Questionnaire** – confirming eligibility under Rule 506(b) and related regulations;

3. **AML/KYC Documentation** – government-issued ID, corporate documents, proof of beneficial ownership, and source-of-funds verification;

4. **Tax Forms** – including IRS W-9 for U.S. persons or W-8BEN/W-8BEN-E for foreign investors;

5. **Additional Representations** – as requested by the Fund, including ERISA or tax-exempt status certifications if applicable.

3. Payment of Capital Contributions

- Subscriptions are accepted **via wire transfer or other approved method** to the Fund's designated bank account.

- Capital contributions must **clear in full** before interests are issued.

- The Fund may **delay acceptance** of subscriptions if payment or documentation is incomplete.

4. Timing of Subscription Acceptance

- The General Partner will **notify investors of acceptance** or rejection of subscriptions promptly after review.
- Once accepted, subscriptions are **binding**, and investors are recorded as Limited Partners.
- The Fund may establish a **subscription cutoff date** for a particular offering period.

5. Representations and Warranties

By submitting a subscription, each investor represents and warrants that they:

1. Are **authorized to execute all documents** and invest in the Fund;
2. Have **read and understood the PPM** and all related documentation;
3. Are **not relying on any representations or promises** other than those contained in the PPM and related agreements;
4. Understand and **accept the risks** of investing, including illiquidity, market risk, and operational risks;
5. Will **comply with all applicable laws** in connection with the investment.

6. Limited Partner Recordkeeping

- The Fund maintains a **register of Limited Partners**, recording the name, contact information, and capital contributions of each investor.
- Investors may receive **statements of account, K-1s, and other reports** on a periodic basis.

7. Rejection of Subscriptions

- The General Partner may **reject any subscription in whole or part** for any reason, including incomplete documentation, failure to meet eligibility requirements, or regulatory concerns.
- Funds returned due to rejection may be **credited without interest** unless otherwise agreed.

8. Binding Effect and Amendments

- Upon acceptance of a subscription, the investor becomes a **Limited Partner** under the terms of the Partnership Agreement.
- The General Partner may **amend subscription procedures** from time to time to ensure compliance with applicable law or operational needs.

LIMITED PARTNERSHIP AGREEMENT HIGHLIGHTS

The Limited Partnership Agreement ("LPA") governs the rights, obligations, and relationships of the General Partner, Management Company, and Limited Partners. This summary highlights key provisions and is qualified in its entirety by the full LPA.

1. Formation and Purpose

- The Fund is a **Delaware limited partnership**, formed under the Delaware Revised Uniform Limited Partnership Act.
- The primary purpose is to **invest in a diversified portfolio** of digital assets, equities, commodities, and alternative investments in accordance with the Fund's investment strategy.

2. Capital Contributions

- Each Limited Partner must make the **minimum investment** of $50,000 unless waived by the General Partner.
- Additional capital contributions may be requested at the discretion of the General Partner, subject to compliance with securities laws.

3. Allocations of Profits and Losses

- Profits and losses are allocated in accordance with **capital accounts and Partnership Agreement provisions**.
- Allocations account for **management fees, performance allocations, preferred returns, and other adjustments** required for tax purposes.

4. Management and Authority

- The **General Partner has sole discretion** over investment decisions, including selection of assets, leverage, and timing of transactions.
- Limited Partners are **passive investors** and do not participate in day-to-day management.
- The General Partner may delegate certain functions to the **Management Company, service providers, or affiliates**.

5. Fees and Performance Allocation

- Management fees: **2% annually** of net assets (including leverage).
- Performance allocation: **20% of profits** above a **6% preferred return**, subject to a **high-water mark**.
- Fees and allocations are calculated and allocated **quarterly**, with adjustments as necessary.

6. Redemption Rights and Restrictions

- **Initial lock-up**: 12 months from the date of subscription.
- **Quarterly redemptions** thereafter with **90 days' prior written notice**.
- **Redemption fees**: 2% if redeemed within 24 months; NAV redemption gates up to 25% to manage liquidity.
- Redemptions may be **suspended or deferred** in extraordinary circumstances or to protect remaining investors.

7. Transfers and Withdrawals

- Interests are **non-transferable** except as permitted by the Partnership Agreement and applicable law.
- Transfers to other investors require **consent of the General Partner** and compliance with securities law restrictions.

8. Liability of Limited Partners

- Limited Partners' liability is generally **limited to their capital contributions**.
- They are not liable for the debts or obligations of the Fund beyond their investment, except as required by law.

9. Indemnification

- The Fund provides **indemnification to the General Partner, Management Company, and affiliates** for actions taken in good faith on behalf of the Fund.
- Indemnification is subject to applicable law and does not protect against gross negligence, willful misconduct, or fraud.

10. Withdrawal, Termination, and Dissolution

- The Fund continues until **liquidated or terminated** in accordance with the Partnership Agreement.
- The General Partner may **wind down operations** upon achievement of investment objectives or under extraordinary circumstances.
- Upon dissolution, assets are **distributed according to capital accounts** after payment of liabilities and fees.

11. Amendments to the LPA

- The General Partner may **amend the LPA** for regulatory compliance or operational purposes, subject to certain investor consent thresholds as specified in the Agreement.

12. Governing Law

- The LPA is governed by the **laws of the State of Delaware**, and disputes are resolved under Delaware law, subject to applicable federal law.

LEGAL MATTERS AND LITIGATION RISKS

This section addresses legal considerations and potential litigation risks associated with an investment in the Fund. While the Fund seeks to operate in full compliance with applicable law, investors should be aware of possible legal and regulatory risks.

1. Compliance with Laws

- The Fund and its affiliates operate in accordance with **federal and state securities laws**, tax regulations, AML/KYC rules, and other applicable legislation.
- The Fund relies on representations from investors and service providers to maintain compliance.
- Changes in laws or regulations could **impact Fund operations, performance, or investor rights**.

2. Regulatory Investigations

- The Fund and its personnel may be subject to **inspections, audits, or investigations** by regulatory authorities.
- The General Partner will cooperate fully, but such actions may result in **operational disruptions, fines, or other penalties**.

3. Potential Litigation

- Investment activities involve inherent risk, and disputes may arise with investors, service providers, counterparties, or third parties.
- Litigation could relate to:
  - Breach of contract or fiduciary duty;
  - Misrepresentation or fraud claims;
  - Regulatory enforcement actions;
  - Intellectual property or cybersecurity issues;
  - Counterparty disputes in derivatives, digital assets, or other instruments.

4. Limitations of Liability

- The General Partner and affiliates are indemnified by the Fund **to the fullest extent permitted by law** for actions taken in good faith.

- Liability protections do not extend to **gross negligence, willful misconduct, or fraud**.
- Investors are responsible for understanding that **legal risk cannot be entirely eliminated**.

5. Risk Mitigation Measures

- The Fund maintains **compliance programs, legal counsel, and insurance coverage** where appropriate.
- Operational controls, documentation, and contractual protections are employed to **minimize exposure to legal claims**.

6. Dispute Resolution

- Disputes with the Fund, the General Partner, or service providers are generally resolved in accordance with the **arbitration and dispute resolution provisions** of the Limited Partnership Agreement.
- Jurisdiction is typically **Delaware**, and arbitration may be **binding** under applicable law.

7. Investor Acknowledgment

By subscribing to the Fund, each investor acknowledges:

1. Awareness of potential **legal and litigation risks**;
2. Understanding that investment losses may result from regulatory actions, lawsuits, or enforcement proceedings;
3. Acceptance of the Fund's **indemnification and limitation of liability provisions**;
4. Agreement to resolve disputes pursuant to the **Governing Law and Dispute Resolution** provisions of the Partnership Agreement.

MISCELLANEOUS, GOVERNING LAW, AND DISPUTE RESOLUTION

This section addresses miscellaneous provisions, the governing law for the Fund, and the procedures for resolving disputes. These provisions are intended to protect the Fund, its Limited Partners, and the General Partner while ensuring orderly administration of the partnership.

1. Governing Law

- The Fund and all related agreements, including the Limited Partnership Agreement and Subscription Agreement, are governed by and construed in accordance with the **laws of the State of Delaware**, without regard to its conflict of laws principles.
- Any questions regarding interpretation, validity, or enforcement of Fund documents shall be resolved under Delaware law.

2. Dispute Resolution and Arbitration

- Investors and the Fund agree to resolve disputes arising out of or related to the Fund, the LPA, or any related documents through **binding arbitration**, unless otherwise prohibited by law.
- Arbitration will be conducted in **Delaware** under the rules of the **American Arbitration Association (AAA)** or an equivalent arbitration forum selected by the General Partner.
- Arbitration awards are **final and binding**, and judgment may be entered in any court having jurisdiction.

3. Notices

- All notices required under the LPA, Subscription Agreement, or other Fund documents must be in **writing** and delivered by:
  - Hand delivery;
  - Overnight courier; or
  - Certified mail, return receipt requested.
- Notices are effective upon receipt or as otherwise specified in the relevant agreement.

4. Severability

- If any provision of the Fund documents is found to be **invalid, illegal, or unenforceable**, the remaining provisions remain in full force and effect.
- The General Partner may amend documents to **achieve the intended economic or legal effect** of any invalid or unenforceable provision.

5. Waivers and Amendments

- Waivers of any provision must be **in writing** and executed by the General Partner.
- The General Partner may amend the Fund documents **to comply with legal or regulatory requirements**, operational needs, or investor-related matters, subject to applicable consent requirements.

6. Headings and Interpretation

- Headings in the Fund documents are **for convenience only** and do not affect interpretation.
- Terms not defined in the PPM are defined in the LPA.

7. Entire Agreement

- The PPM, LPA, Subscription Agreement, and related documents constitute the **entire agreement** between the Fund and its investors with respect to the subject matter.
- No oral statements, representations, or understandings are binding unless included in these documents.

8. Counterparts and Electronic Execution

- Fund documents may be executed in **counterparts**, each of which is deemed an original.
- Electronic signatures are **valid and enforceable** to the same extent as original signatures.

9. Investor Acknowledgment

By subscribing to the Fund, each investor acknowledges that:

1. They have read, understood, and accepted all provisions of the PPM and related documents;
2. They are bound by the governing law, arbitration, and dispute resolution procedures;
3. They understand that amendments, waivers, and operational adjustments may occur in accordance with the LPA and governing law;
4. They agree to cooperate fully with the Fund in matters related to legal, regulatory, or compliance requirements.

EXHIBITS AND COMPLIANCE FORMS

This section lists and summarizes the primary exhibits, agreements, and compliance forms provided to investors in connection with the Fund offering. These documents are essential for completing the subscription process, confirming eligibility, and maintaining regulatory compliance.

1. Subscription Agreement (Exhibit A)

- The Subscription Agreement is the **binding contract** between the investor and the Fund.
- It sets forth:
    - The **amount of the subscription**;
    - Representations and warranties of the investor;
    - Acknowledgment of the PPM and related risk disclosures;
    - Authorization for **capital contribution and payment**;
    - Acceptance of **redemption procedures, fees, and restrictions**.
- Execution of the Subscription Agreement is **required before Interests are issued**.

2. Accredited Investor Questionnaire (Exhibit B)

- Confirms the investor’s **eligibility as an accredited investor** under Rule 506(b) of Regulation D.
- Collects information on:
    - Income, net worth, and assets;
    - Investment experience;
    - Investor type (individual, corporation, trust, etc.).
- Must be **completed, signed, and submitted** along with the Subscription Agreement.

3. Risk Disclosure Statement (Exhibit C)

- Provides a **comprehensive summary of the Fund’s risk factors**, including:
    - Market and asset class risks
    - Leverage and liquidity risks
    - Regulatory, operational, and custody risks
    - Conflicts of interest and counterparty risks
- Investors must **acknowledge understanding and acceptance** of all risks prior to investing.

4. Tax and Regulatory Forms (Exhibit D)

- U.S. investors: **IRS Form W-9**
- Non-U.S. investors: **IRS Form W-8BEN or W-8BEN-E**
- FATCA and CRS declarations as applicable
- ERISA and tax-exempt status certifications if applicable

5. Anti-Money Laundering / Know Your Customer Documentation (Exhibit E)

- Government-issued identification for individuals
- Corporate formation documents for entities
- Proof of beneficial ownership and source-of-funds verification
- Any additional documentation required to satisfy AML/KYC obligations

6. Limited Partnership Agreement (Exhibit F)

- Full LPA detailing:
    - Rights and obligations of Limited Partners and General Partner
    - Allocation of profits and losses
    - Fees, performance allocation, and preferred return
    - Redemption and transfer restrictions
    - Indemnification provisions
    - Governing law and dispute resolution

7. Additional Exhibits and Disclosures (Exhibit G)

- Any supplementary documents, including:
    - Side letters or investor-specific agreements
    - Fund policies and procedural manuals
    - Cybersecurity and data protection disclosures
    - Service provider agreements and operational references

8. Execution and Delivery

- All exhibits must be **executed, dated, and delivered** to the Fund in accordance with subscription instructions.

- The General Partner reserves the right to **reject or delay acceptance** if documentation is incomplete or inconsistent with eligibility requirements.

9. Investor Acknowledgment

By completing and submitting the exhibits, each investor acknowledges:

1. Receipt and review of the PPM and all exhibits;
2. Understanding of the risks, fees, and operational procedures;
3. Compliance with all AML/KYC, tax, and regulatory requirements;
4. Acceptance of all representations, warranties, and covenants required by the Fund.