
STEWARDS ARBITRAGE FUND, LLC
Confidential Private Placement Memorandum

November 2021

MANAGER:
STEWARDS CAPITAL MANAGEMENT, LLC

PROSPECTIVE INVESTORS SHOULD READ THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM") CAREFULLY BEFORE DECIDING WHETHER TO PURCHASE INTERESTS (THE "INTERESTS") IN STEWARDS ARBITRAGE FUND, LLC (THE "FUND") AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION UNDER THE HEADING "CERTAIN RISK FACTORS."

THE INTERESTS BEING OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER GOVERNMENTAL AUTHORITY AND NEITHER THE SEC NOR ANY SUCH OTHER AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IT IS ANTICIPATED THAT THE OFFERING AND SALE WILL BE EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), UNDER THE EXEMPTION PROVIDED BY SECTION 4(a)(2) OF THE SECURITIES ACT AND THE VARIOUS STATE SECURITIES LAWS AND THAT THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "COMPANY ACT").

THE INTERESTS BEING OFFERED HEREBY HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE SECURITIES LAWS OF ANY JURISDICTION INSIDE OR OUTSIDE OF THE UNITED STATES. YOU ARE ENCOURAGED TO READ THIS INFORMATION AND RETAIN THIS MEMORANDUM FOR FUTURE REFERENCE. NON-U.S. INVESTORS SHOULD CONSULT COUNSEL IN THEIR JURISDICTION REGARDING AN INVESTMENT IN FUND INTERESTS.

INVESTMENTS IN THE FUND ARE NOT BANK DEPOSITS AND ARE NOT COVERED BY FDIC INSURANCE. INVESTMENTS IN THE FUND MAY RESULT IN THE LOSS OF PRINCIPAL. INVESTMENTS IN THE FUND MAY BE RISKY AND SUBJECT TO TOTAL LOSS.

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

THE INTERESTS ARE BEING OFFERED TO PERSONS WHO QUALIFY AS ACCREDITED INVESTORS PURSUANT TO RULE 506(C) OF REGULATION D UNDER THE SECURITIES ACT WHICH PERMITS GENERAL SOLICITATION. SUBJECT TO ACCEPTANCE BY THE FUND, INVESTORS MUST QUALIFY AS (I) "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) OF REGULATION D UNDER THE SECURITIES ACT, WHICH STATUS MUST BE VERIFIED THROUGH INFORMATION PROVIDED BY INVESTORS OR BY OTHER MEANS AND (II) "QUALIFIED CLIENTS" AS DEFINED IN RULE 205-3 UNDER THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED. THE MINIMUM SUBSCRIPTION FOR INTERESTS IS \$10,000, ALTHOUGH THE MANAGER MAY INCREASE THIS AMOUNT OR ACCEPT SUBSCRIPTIONS FOR LESSER AMOUNTS IN ITS SOLE DISCRETION. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY INTERESTS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PROVIDED IN THE LIMITED LIABILITY COMPANY AGREEMENT AND AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THERE IS NO OBLIGATION OF THE FUND TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT. AS A RESULT, INVESTORS SHOULD BE AWARE THAT THEY MAY NOT BE ABLE TO LIQUIDATE THEIR INVESTMENT QUICKLY OR ON ACCEPTABLE

TERMS, IF AT ALL, AND MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

INVESTMENT IN INTERESTS IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK DUE, AMONG OTHER THINGS, TO THE SPECULATIVE NATURE OF THE FUND'S INVESTMENT STRATEGIES AND THE TYPES OF INSTRUMENTS AND INVESTMENTS, IN EACH CASE OF EVERY KIND AND CHARACTER, IN WHICH IT MAY INVEST ("SECURITIES"). INVESTORS SHOULD UNDERSTAND SUCH RISKS AND HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THEM FOR AN INDEFINITE PERIOD OF TIME. INVESTMENT IN THE FUND IS ONLY FOR INVESTORS WHO ARE WILLING TO ASSUME SUBSTANTIAL RISK OF LOSS, INCLUDING ENTIRE LOSS OF PRINCIPAL. SEE "CERTAIN RISK FACTORS."

DURING THE COURSE OF THIS OFFERING AND PRIOR TO SALE, EACH OFFEREE OF INTERESTS AND ITS OFFEREE REPRESENTATIVE(S), IF ANY, ARE INVITED TO QUESTION THE MANAGER CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND TO OBTAIN ADDITIONAL INFORMATION, TO THE EXTENT THE MANAGER HAS AND IS WILLING TO PROVIDE SUCH INFORMATION AND CAN ACQUIRE IT WITHOUT UNREASONABLE EXPENSE OR EFFORT, CONCERNING THIS OFFERING OR TO VERIFY THE ACCURACY OF INFORMATION CONTAINED IN THIS MEMORANDUM. SUBJECT TO THE FOREGOING, ANY REPRESENTATION OR INFORMATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND OR ITS MANAGER SINCE NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY SUCH REPRESENTATIONS OR TO PROVIDE ANY SUCH INFORMATION. INQUIRIES SHOULD BE DIRECTED TO THE MANAGER. THE DELIVERY OF THIS MEMORANDUM DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE ON THE COVER HEREOF.

NEITHER THE FUND, THE MANAGER, NOR ANY OF THEIR REPRESENTATIVES OR AGENTS IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE INTERESTS REGARDING THE LEGALITY OF ANY INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER. NOTHING HEREIN IMPLIES THAT IT SPEAKS AS OF ANY DATE AFTER THE DATE HEREOF.

INVESTMENTS IN INTERESTS BY AND TRANSFERS OF INTERESTS TO BENEFIT PLAN INVESTORS WILL BE LIMITED SO THAT BENEFIT PLAN INVESTORS WILL HOLD LESS THAN 25% OF THE VALUE OF THE INTERESTS (OR SUCH OTHER AMOUNTS THAT MAY BE DEEMED "SIGNIFICANT" PURSUANT TO 29 C.F.R. 2510.3-101 OR OTHER RELEVANT ERISA GUIDELINES), EXCEPT IN THE DISCRETION OF THE MANAGER. SEE "ERISA CONSIDERATIONS".

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, INVESTMENT, TAX OR OTHER ADVICE. EACH PROSPECTIVE INVESTOR MUST RELY UPON HIS OR HER OWN REPRESENTATIVES, INCLUDING HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANTS, AS TO LEGAL, ECONOMIC, TAX AND RELATED ASPECTS OF THE INVESTMENT DESCRIBED HEREIN AND AS TO ITS MERITS, RISKS AND SUITABILITY FOR SUCH INVESTOR.

THIS MEMORANDUM IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN THE INTERESTS. DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM, ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. AS A RESULT, THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART OR DELIVERED BY YOU OR YOUR AGENT TO ANY PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER. IF YOU ARE NOT A QUALIFIED INVESTOR, OR IF YOU DECIDE NOT TO SUBSCRIBE FOR AN INTEREST, PLEASE RETURN THIS DOCUMENT AND ALL OTHER RELATED DOCUMENTS TO THE MANAGER AT THE ADDRESS PROVIDED HEREIN.

THE INVESTMENT APPROACH AND TRADING TECHNIQUES USED BY THE FUND MAY INVOLVE A HIGHER DEGREE OF RISK THAN THAT ASSOCIATED WITH OTHER INVESTMENT ALTERNATIVES. AN INVESTMENT IN THE FUND IS NOT AN APPROPRIATE INVESTMENT FOR ANYONE UNABLE TO BEAR SUBSTANTIAL RISK OR REQUIRING LIQUIDITY AND SHOULD NOT BE VIEWED AS A COMPLETE INVESTMENT PROGRAM.

ALL REFERENCES TO "DOLLARS," "\$," "U.S. DOLLARS" OR "US\$" ARE TO UNITED STATES DOLLARS.

This Memorandum contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this Memorandum and include statements regarding the intent, belief or current expectations of the Fund or the Manager with respect to, among other things, (i) the use of proceeds of this offering of Interests described in this Memorandum ("**Offering**"); (ii) the ability of the Fund to identify investment opportunities; and (iii) the performance of the Fund or its affiliates.

Prospective Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. The accompanying information contained in this Memorandum, including, without limitation, the information under "Investment Objectives and Policies," and "Certain Risk Factors" identifies important factors that could cause such differences.

This Memorandum has been prepared in connection with a private offering to qualified Investors of Interests in the Fund. Each Investor will be required to execute a Subscription Agreement (which will be subject to review and acceptance) and by execution thereof will be deemed to have signed a Limited Liability Company Agreement to consummate an investment in the Fund. This Memorandum is not an offer to sell or solicitation of an offer to buy Interests to any unqualified Investors, or to any person other than the person whose name appears on the cover, and it is not to be reproduced or redistributed.

FOR CALIFORNIA RESIDENTS ONLY: THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

FOR FLORIDA RESIDENTS ONLY: PURSUANT TO THE LAWS OF THE STATE OF FLORIDA, IF SALES ARE MADE TO FIVE (5) OR MORE INVESTORS IN FLORIDA, ANY FLORIDA INVESTOR MAY, AT HIS OPTION, WITHDRAW UPON WRITTEN (OR TELEGRAPHICAL) NOTICE, ANY PURCHASE HEREUNDER WITHIN A PERIOD OF THREE (3) DAYS AFTER (A) THE INVESTOR FIRST TENDERS OR PAYS TO THE FUND, AN AGENT OF THE FUND OR AN ESCROW AGENT THE CONSIDERATION REQUIRED HEREUNDER, (B) THE INVESTOR DELIVERS HIS EXECUTED SUBSCRIPTION DOCUMENTS OR (C) THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH INVESTOR, WHICHEVER OCCURS LATER.

FOR GEORGIA RESIDENTS ONLY: THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (14) OF CODE SECTION 10-5-11 OF THE "GEORGIA SECURITIES ACT OF 1973" AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

THE INVESTMENT MANAGER DOES NOT BELIEVE THAT THE FUND OR THE INVESTMENT MANAGER IS, OR WILL BE, REQUIRED TO REGISTER AS A MONEY SERVICES BUSINESS WITH

THE FINANCIAL CRIMES ENFORCEMENT NETWORK OF THE U.S. DEPARTMENT OF THE TREASURY ("**FINCEN**") OR OBTAIN A MONEY TRANSMITTER LICENSE WITH THE BANKING DEPARTMENT OF ANY STATE, AND THEREFORE HAS NOT DONE SO. THERE IS A RISK THAT THE INVESTMENT MANAGER AND/OR THE FUND WILL BE CONSIDERED A MONEY SERVICES BUSINESS AND WILL BE REQUIRED TO REGISTER WITH FINCEN AND/OR OBTAIN MONEY TRANSMITTER LICENSES FROM STATE BANKING DEPARTMENTS.

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DIRECTORY

Principal Office of the Fund:

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Manager:

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INVESTOR SUITABILITY STANDARDS

Offers to sell Interests, and solicitations of offers to buy Interests, in this Offering are being made to persons whom the Manager believes to be "accredited investors" as explained below and as set forth in further detail in the Subscription Agreement, attached hereto as Exhibit B (the "Subscription Agreement"). An investor subscribing for Interests will be required to deliver the information specified in the Subscription Agreement that the Manager determines is necessary to verify its status as an "accredited investor," or the investor must agree in the Subscription Agreement to authorize a third-party to verify the investor's status as an "accredited investor."

Accredited Investors. An accredited investor is a person who qualifies as such, and so represents and warrants in the Subscription Agreement and through external verification as necessary. In general, accredited investors are individuals having a certain minimum income or net worth, institutional investors, or management personnel of the Manager. For individuals, the following persons are "accredited investors."

- (a) Any natural person whose individual net worth or joint net worth with that person's spouse or spousal equivalent, at the time of his purchase, exceeds \$1,000,000 (not including any equity in the primary residence of such person(s)); or
- (b) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- (c) Any director or executive officer of the Manager or its affiliates.

Eligibility standards for non-individual Investors (i.e. corporations and other entities) are generally different from the natural person eligibility standards set forth above and generally require \$5 million in assets. Detailed eligibility standards for non-individual Investors are discussed in detail within the Subscription Agreement.

The Fund may admit, to the extent permitted by the Investment Advisers Act of 1940, non-qualified clients under terms as permitted by law.

Notwithstanding any other statement herein, eligibility standards for all Investors may be subject to change pending the outcome of changes in law or any increases to applicable eligibility standards by the SEC or other regulatory body.

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this confidential private placement memorandum ("**Memorandum**") of the Fund (defined below) and its constituent documents, including the Fund's limited liability company agreement ("**Limited Liability Company Agreement**" or "**LLC Agreement**"). The Fund has not yet commenced operations. Various documents and agreements have not yet been executed. Capitalized terms used below and not otherwise defined have the meanings assigned to them in the Limited Liability Company Agreement.

THE FUND AND THE MANAGER

Stewards Arbitrage Fund, LLC (the "**Fund**") is a private investment fund that was organized as a limited liability company under the laws of Delaware on January 29, 2021. The Fund does not intend to register under the Investment Company Act of 1940, as amended (the "**Company Act**"), by virtue of section 3(c)(1) thereunder.

The Fund's manager is Stewards Capital Management, LLC (the "**Manager**"), a limited liability company organized under the laws of Delaware on February 10, 2021. The manager is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), (or any similar state law). Larry Bryan, Glen Steward, and Bilal Adam are the operators of the Manager and will have primary responsibility for the Fund's investment decisions. The address for the Fund and Manager is as set forth in the Directory.

INVESTMENT OBJECTIVE AND POLICIES

The Fund's investment objective, under normal market conditions, is to seek capital appreciation by investing and/or trading in a diversified portfolio of digital assets ("**Digital Assets**"), which term includes, but is not limited to, virtual currencies, cryptocurrencies, and digital coins and tokens. The Fund will utilize licensed proprietary arbitrage software, which consists of an automated, artificial intelligence assisted algorithmic trading engine designed to collate and analyze order book data from multiple digital asset exchanges in order to highlight price inefficiencies as and when they occur. The trading engine will take advantage of price inefficiencies through automated trade and balance optimization instructions within predetermined risk management parameters.

The Fund may pursue any strategy as determined in the sole discretion of the

Manager. Such strategies may include, but are not limited to, using the aforementioned software to aim to generate returns through forex arbitrage settled in Digital Assets. Such a strategy may offer monthly liquidity while aiming to exploit price inefficiencies of Digital Assets in the pursuit of attractive risk-adjusted returns, independent of general market direction. The Fund will seek to maximize positive returns as trade instructions are calibrated to execute only when profitable opportunities are present. The strategy aims to hedge out exposure to the price movements of forex and Digital Assets, although this is not guaranteed and is subject to counterparty risk of the hedge providers. The Fund may also invest in cryptocurrency pools, may utilize any and all cryptocurrency pooling strategies, and may invest in other funds that employ pooling strategies as all or part of their investment strategy as it deems so, in order to accomplish the Fund's overall investment objectives. The Fund will seek to mitigate risk through extensive due diligence with respect to selected digital assets, exchanges, and foreign jurisdictions.

Returns relative to traditional markets are expected to be uncorrelated.

The Fund will not be subject to specific percentage limitations with respect to any Digital Asset. Accordingly, the Fund may, from time to time, invest and/or trade, on margin and otherwise, a substantial portion of the Fund's assets into any one of the Digital Assets described herein. Furthermore, there is no limit as to the percentage of a specific Digital Asset that the Fund may own. Positions in Digital Assets may be held for very short periods, even as little as a portion of one day. Any such turnover may increase transaction costs and lead to realization of taxable gain.

Notwithstanding the foregoing, the Manager retains broad investment discretion and may change the foregoing practices and policies at any time without notice to Members.

There can be no assurance that the Fund will achieve its investment objectives.

LEVERAGE AND DERIVATIVES

The Fund reserves the right, without limit, to borrow money, utilize margin, or utilize any financial instruments necessary (including, but not limited to, swaps, options, repurchase agreements, forward contracts, and other derivative instruments) for any purpose, including, but not limited to: (1) leveraging Fund assets for any purpose, including, but not limited to, enhancing the Fund's returns, if any; (2) seeking to hedge the Fund's investments and/or other assets; and (3) making speculative investments. As a result of any such leverage, the Fund may generate unrelated business taxable income. Accordingly, Interests may not be suitable for charitable remainder trusts and tax-exempt entities, including benefit plan investors. The use of leverage entails substantial risks. See "Leverage; Interest Rates; Margin" under "CERTAIN RISK FACTORS".

OFFERING TERMS

Limited liability company interests in the Fund ("**Interests**") are being offered to qualified Investors who are "accredited investors" as defined in Regulation D under the Securities Act of 1933 (the "**Securities Act**"). The minimum initial size required for the Fund to begin operations is \$10,000. The Fund may begin operations without receiving any prescribed minimum amount of capital contributions. Significant portions of the Fund's capitalization may, but are not required to, consist of investments by the Manager and its affiliates.

Investors may initially subscribe for interests or make additional Capital Contributions monthly or as otherwise determined by the Manager ("**Additional Capital Contributions**"). Initial and Additional Capital Contributions that are accepted in the sole discretion of the Manager before the 15th of the previous month will generally be effective for investment on the first Business Day of each calendar month. "Business Day" shall mean any day, other than Saturday or Sunday, on which banks are open for business in the United States and/or such other day or days as the Manager may from time to time determine. The minimum investment for an Investor is \$10,000. The minimum Additional Capital Contribution is \$5,000. The Manager may increase or waive the foregoing minimums in its sole discretion. No Member will be required or obligated to contribute any capital in addition to its initial investment of \$10,000, or such lesser amount as such Member was permitted to invest in the sole discretion of the Manager. There currently is no minimum or maximum limits for total capital contributions to the Fund. All investments in Interests must be made in readily available federal funds, or, at the sole discretion of the Manager, other property. See the instructions set forth in "Offering and Sale of Interests; Subscriptions" and in the Subscription Agreement delivered with the Memorandum. Subscribers will be required to sign the limited liability company agreement (the "**Limited Liability Company Agreement**") by signing the Subscription Agreement delivered with the Memorandum. Signature pages are included in the Subscription Agreement. If accepted in the Manager's sole discretion,

prospective qualified investors will become Members of the Fund ("**Members**" or "**Investors**"). See "Limited Liability of Members" under "OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT".

The Manager reserves the right to reject any subscription in its entirety, for any reason whatsoever, or to allocate to any subscriber a lesser number of Interests, or fractions thereof, than it has offered to purchase, or to remove any Member in its sole discretion.

MANAGEMENT FEE

The Fund will pay in arrears to the Manager, as of the last Business Day of each calendar month of the Fund, a fee ("**Management Fee**") equal to 0.2083% (2.5% annualized) of the closing Capital Account balances of the Members in the month to which the Management Fee relates. The Management Fee will be payable by the Fund generally as of the last day of each calendar month. The Manager may waive or modify, in whole or in part, its Management Fee for any account, including those of an affiliate or family member of the Manager or its principals.

The Management Fee is charged after the Fund's allocation of profits and losses and is charged prior to the Incentive Allocation (defined below).

ORGANIZATIONAL AND OFFERING EXPENSES

All offering, legal and other organizational expenses incurred in the formation (or any restructuring) of the Fund (including, but not limited to, fees related to the preparation of Fund offering documents, the drafting of new Fund related agreements, revisions of applicable regulatory or other filings, and any structural advice associated with organizing the Fund), will be paid by the Fund or paid by the Manager and reimbursed by the Fund, amortized over a maximum period of sixty months (or such other period as determined in the sole discretion of the Manager). Such practice may not be in accordance with generally accepted accounting principles ("**GAAP**") or such other industry accepted accounting standard.

OTHER FEES & EXPENSES

The Manager generally will pay all of its own ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits and rent;

provided, however, that the Manager may be compensated or reimbursed by the Fund for providing administrative assistance to the Fund and may hire providers of ongoing accounting, administration and reporting functions at Fund expense.

Except as noted above, the Fund will pay, from its own assets, all other expenses attributable to the activities of the Fund, including but not limited to: fees, costs, brokerage commissions, research services and products (including the research services and products of the type more fully described under BROKERAGE COMMISSIONS), and other expenses (including travel costs) related to the purchase and sale of investments; costs related to the custody of Digital Assets (including, but not limited to, third party wallet providers); costs incurred in attending seminars and conferences related to Digital Assets; expenses relating to short sales of Digital Assets; operational expenses, including, without limitation, fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations), facilitate and manage the purchase and sale of Digital Assets or otherwise manage the Fund or any trading subsidiary, portfolio management systems, risk management systems and order management systems; expenses for custodians, outside counsel, administrators and accountants; printing; mailing; insurance for the Manager (including D&O insurance, which may be significant); any litigation expenses; any taxes, fees or other governmental charges levied against the Fund; legal fees and costs in connection with the preparation and filing of Form PF (or similar forms); and any other expenses not expressly agreed to be paid by the Manager. Such expenses may be significant and potentially exceed the Management Fee.

ALLOCATION OF PROFITS AND LOSSES; INCENTIVE ALLOCATION

In general, each Member's capital contributions will be credited to a capital account established on the books of the Fund for each Member ("**Capital Account**").

At the end of each monthly accounting period of the Fund ("**Accounting Period**"), any Profit or Loss is allocated to all Members (including the Manager) in proportion to their respective opening Capital Account balances for such period, provided that the Manager will be allocated for each calendar month, for each Member, an amount equal to 25% of Profit (including unrealized gains) credited to such partner's Capital Account in such month, subject to a loss carryforward or "high water mark" provision (the "Incentive Allocation"). The Profit or Loss of the Fund for a given Accounting Period will be the net investment income, plus the realized and unrealized gain or loss on investments from the beginning to the end of the Accounting Period (after deduction of the Management Fee and other expenses accrued or reimbursable to the Manager).

The Manager may waive or modify, in whole or in part, its Incentive Allocation for any account, including those of an affiliate or family member of the General Partner or its principals.

One or more Other Funds may charge a performance fee. In particular, the Fund may invest all or a portion of its assets in Stewards Investment Capital ("**SIC**"), a Mauritius entity, which follows a similar strategy as the Fund. SIC charges a 25% performance fee, subject to a high-water mark. The Manager has agreed to waive any Incentive Allocation with respect to amounts invested by the Fund into SIC.

INCEPTION DATE

The Inception Date of the Fund was June 15, 2021.

TERM

The Fund's business commenced upon the Inception Date and shall continue until dissolved in accordance with the Limited Liability Company Agreement.

RISK FACTORS

An investment in the Fund is speculative and is suitable only for Investors who are willing to accept substantial risks of loss, including

DIGITAL ASSET RISKS IN
GENERAL

entire loss of principal. See "Certain Risk Factors."

The Fund will be investing in Digital Assets, which may involve a high degree of risk. See "Certain Risk Factors". Prices are volatile and digital asset exchange movements are difficult to predict. These price movements may result from factors including the levels of liquidity on exchanges and operational interruptions and disruptions. Furthermore, the Fund is not subject to a specific percentage limit on any specific investment. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall market of Digital Assets, the value of the Fund's investments may decline if the particular Digital Assets in which the Fund invests do not perform well in the market.

Frequent trading may increase brokerage costs and have negative tax effects.

RELIANCE UPON MANAGER

The success of the Fund depends on the ability of the Manager to identify, select and realize investments consistent with its objectives.

LACK OF OPERATING
HISTORY

The Fund and the Manager are each newly organized and have no operating history upon which Investors may evaluate their possible performance.

LACK OF MANAGEMENT
CONTROL BY BENEFICIAL
OWNERS

Under the Limited Liability Company Agreement, the Members do not have the right to participate in the management, control or operation of the Fund.

WITHDRAWALS

Subject to the potential limitations discussed below, such Member may, upon written notice to the Manager not less than forty-five (45) days prior to the end of any calendar month from which the withdrawal is sought, or such other time as the Manager may determine (the "**Withdrawal Notice Date**"), the Member may withdraw all or any portion of such Interest in its Capital Account, less reserves determined in good faith by the Manager and less the Member's share of any accrued, but unpaid, Management Fee and expenses. In addition, a withdrawal will generally not be permitted if, immediately following such withdrawal, Benefit Plan Investors would hold 25% or more of the

Interests in the Fund (or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines).

The minimum withdrawal amount is \$5,000, subject to waiver in the Manager's discretion. Members will not be permitted to make a partial withdrawal if less than \$10,000 (or such lesser amount as such Member was permitted to initially invest) remains in such Member's Capital Account after a withdrawal. A Member who elects to withdraw all of his Capital Account will be deemed to have retired as of the effective date of such withdrawal. Permitted withdrawals will be effective immediately following the close of business of the last Business Day of the month, or as otherwise permitted by the Manager (the "**Withdrawal Date**"). A notice of withdrawal is irrevocable, except as provided in the sole discretion of the Manager. Withdrawal requests received after a Withdrawal Notice Date has passed will be rolled to the next calendar month.

Except as otherwise provided in the Limited Liability Company Agreement, payment of ninety-five percent (95%) of any withdrawal proceeds ordinarily will be paid within thirty (30) Business Days following the applicable Withdrawal Date in cash or in kind in the discretion of the Manager, with the balance generally to be paid within sixty (60) Business Days after finalization of the annual audit, subject to reserves and any necessary adjustments. No interest shall be paid for the period between the effective date of withdrawal and any date of payment.

Notwithstanding any other statement herein, the Manager may limit or prohibit withdrawals, notwithstanding whether or not valuation of the Fund's assets have been suspended, including under extraordinary or emergency circumstances or if, in its discretion, such withdrawals would not be in the best interests of the Fund or maximize the return available by having to sell an investment to satisfy such withdrawals; in addition to the foregoing reasons, in the Manager's sole discretion, the Fund may also refuse requests for withdrawals or delay withdrawals or payments if the Fund is not sufficiently liquid, which shall be determined

FEDERAL
INCOME TAXES

in the sole discretion of the Manager. Any Member's withdrawal request that has been prohibited or refused pursuant to the foregoing, will be deemed cancelled and must be timely resubmitted, if the Member continues to desire a withdrawal, on a subsequently permitted Withdrawal Date; delayed withdrawal requests, and any withdrawal requests that have been resubmitted as a result of a cancellation, shall not be given priority on a subsequently permitted Withdrawal Date. In any of the foregoing circumstances, the Management Fee will still be applied to the Interests (including based on estimates of the Fund's assets and Capital Account values in the event that withdrawals and/or valuation of the Fund's assets are suspended).

The Fund may, but is not obligated to, hold un-invested cash, sell investments or borrow in order to honor withdrawals.

The Manager may, at its sole discretion, expressly waive any of the foregoing restrictions.

For United States Federal income tax purposes, it is expected that the Fund will be treated as a partnership and each Member will be treated as a partner of such partnership. See "Income Tax Treatment of Members." A partnership is not subject as an entity to Federal income tax. The Fund, however, will file a Federal partnership information return reporting its operations for each calendar year. Each Member must report on its Federal income tax return its share of the Fund's income, recognized gains and losses, deductions or credits for the taxable year of the Fund ending within or with its taxable year, whether or not cash or other properties are distributed to such Member.

The Fund will provide each Member with a statement of the amounts and types of income, gain, loss, deduction, and credit allocated to it during the Fund's calendar year for use in the preparation of such Member's tax return as soon as practicable after the end of each calendar year in accordance with federal reporting requirements.

Each Member will be required to take into account in computing his income tax liability his allocable share of the Fund's income, loss, deductions, credits and items of tax preference for each year or that portion of each year in which he is a Member without regard to whether any cash distributions from the Fund have been received by the Member for such year.

Allocations will be made to the Capital Accounts of the Members in proportion to the respective Capital Accounts of all the Members, with adjustments described herein. Because a Member's Capital Account will include unrealized gains and losses, a Member's gain or loss for income tax purposes may differ from his gain or loss for book purposes.

Certain entities, including plans qualifying under Section 401(a) of the Internal Revenue Code (the "**Code**"), individual retirement accounts, and certain charitable and other organizations described in Section 501(c) of the Code ("**Tax Exempt Entities**"), generally are exempt from Federal income tax, but are subject to Federal income tax on their "unrelated business taxable income" ("**UBTI**"). The Fund may generate UBTI. See "Income Tax Treatment of Members."

Members who are not United States citizens or residents may face withholding tax on certain Fund income and should consult their own legal and tax professionals before investing in the Fund.

The foregoing discussion is merely a summary of tax issues that an Investor should evaluate when considering an investment in the Fund. Investors are urged to consult their legal and tax advisors before investing in Interests.

CONFLICTS OF INTEREST

From time to time, certain potential conflicts of interest between the Fund on the one hand, and the Manager and its affiliates on the other hand, may arise. See "Conflicts of Interest."

The Manager and its affiliates may also engage in business activities, other than those of the Fund, whether or not such activities are competitive with the Fund. In

some cases, the Manager may cause the Fund to do business with its affiliates.

The Manager and its affiliates may make investment decisions for other clients which are contrary to positions taken on behalf of the Fund.

INDEMNIFICATION

The Fund will indemnify the Manager, its subsidiaries, affiliates and personnel, and may indemnify service providers against claims, liabilities, costs and expenses, including legal fees, incurred by them by reason of their acts or omissions on behalf of the Fund or its Members, other than acts primarily attributable to gross negligence, fraud or willful misconduct. These provisions shall not limit, or be deemed to be a waiver of, the rights granted to all investors under the state and federal securities laws.

ERISA CONSIDERATIONS

Interests in the Fund may, subject to certain conditions described herein, be sold and transferred to pension plans or similar retirement accounts ("**Benefit Plan Investors**"). A fiduciary of any Benefit Plan Investor that proposes to cause such Benefit Plan Investor to acquire any Interests in the Fund should consult with its own legal counsel with respect to the applicability of The Employee Retirement Income Security Act of 1974 ("**ERISA**") and the Code to such investment, including the availability of any prohibited transaction exemption. Prospective purchasers and subsequent transferees of Interests in the Fund will be required to make certain representations regarding compliance with ERISA. The Fund intends to keep the Interests of Benefit Plan Investors to less than 25% of Fund assets (excluding interests of the Manager and affiliates) or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines. Notwithstanding the preceding limits on the amount of equity participation in the Fund by Benefit Plan Investors, the Manager reserves the right to allow such equity participation by certain benefit plans (e.g. individual retirement accounts and Keogh plans) to exceed 25% or any other amounts deemed "significant", provided that at such time, no equity participation in the Fund is owned by a person or plan subject to ERISA. Furthermore, regardless of

whether equity participation in the Fund is owned by a person or plan subject to ERISA, under no circumstance will equity participation in the Fund by government plans, non-U.S. plans, and non-electing church plans be counted toward such 25% limitation or limited with respect to their equity participation in the Fund. See "ERISA Considerations."

Government plans, as defined in Section 3(32) of ERISA, are not subject to Title I or ERISA, and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, state laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed in this Memorandum. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the impact of their respective state pension codes on investments in the Fund, and the considerations discussed above, to the extent applicable.

ERISA REPORTING

Compensation-related disclosures in this Memorandum are intended to satisfy the "alternative reporting option" described by the Department of Labor with respect to Schedule C of Form 5500.

DISTRIBUTIONS

Distributions, if any, will be made at the discretion of the Manager. It is anticipated that the Manager will reinvest net investment income and net realized investment gains. If, in the sole discretion of the Manager, a distribution is made, it will generally be made in accordance with the positive balances of the Members' Capital Accounts as adjusted. However, notwithstanding any other statement herein, the Manager may make distributions at any time to some or all Members as determined in its sole discretion (including based on estimated values with respect to Fund assets generally when it is not reasonable for the Fund to fairly determine the value of the Fund's assets). Distributions will be made in cash or in kind in the discretion of the Manager. The Manager does not intend to pay distributions in amounts sufficient to pay current taxes due on such Member's Interest in the Fund.

PROHIBITIONS
ON RESALE

The Manager may make distributions to itself from its Capital Account at any time.

The Interests have not been registered under the Securities Act or the Company Act and may not be transferred unless so registered or an exemption from registration is available. The Interests are not registered in any jurisdiction outside the U.S. and are not for sale in any country in which such sale is prohibited or requires registration. Investors should consult their own counsel with respect to the laws of their home jurisdiction governing investment in the Fund. Regardless of any exemption from registration that may exist, except as otherwise provided in the Limited Liability Company Agreement, the Interests in the Fund may not be sold, transferred, assigned, pledged, or otherwise hypothecated or disposed of, in whole or in part, without the prior written consent of the Manager, which consent may be withheld in the Manager's sole discretion, and any attempt to do so shall be null and void. In addition, no interests in the Fund may be transferred if such transfer would result in Benefit Plan Investors holding 25% of more of the Interests in the Fund (or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines).

BROKERAGE

The choice of brokers, dealers and exchanges employed in connection with the investment and reinvestment of the assets of the Fund is exclusively within the control and discretion of the Manager. The Manager will have no obligation in selecting a broker, dealer or exchange to seek competitive bids or the lowest available commission costs.

CUSTODIAN

The Fund's will trade Digital Assets on a variety of exchanges, and such exchanged will act as custodian. Each broker or exchange will act pursuant to its standard form agreements relating to the operation of brokerage accounts (the "**Brokerage Agreement**") entered into between the Fund and such broker or exchange.

From time to time, certain conflicts of interest between the Fund on one hand, and a broker or exchange and its affiliates on the other hand, may arise. A broker or exchange and

its affiliates may also engage in business activities that are competitive with the Fund. Furthermore, a broker and its affiliates may make investment decisions for other clients which are contrary to positions taken on behalf of the Fund.

REPORTS

Annual audited financial statements will be sent to Members.

FISCAL YEAR END

The Fund has a fiscal year ending on December 31 in each year.

VALUATION OF FUND ASSETS

The Manager will fair value the assets (including any illiquid assets and the Other Funds) of the Fund for each Accounting Period (generally monthly) in accordance with the Limited Liability Company Agreement. The Fund's interest in an Other Fund shall be valued at an amount equal to the Fund's capital account balance, or the net asset value of its shares, in such Other Fund pursuant to the instrument governing such issuance.

The Manager, or its delegate, may further adopt, in connection with the foregoing, valuation methods and procedures or override valuations provided by methods described above when it deems such prices unreliable.

SECURITIES LAW MATTERS

The Interests will not be registered under the Securities Act in reliance on the exemption provided by Rule 506(c) of Regulation D promulgated under the Securities Act which permits general solicitation and requires that each investor's status as an "accredited investor" be verified through information provided by the investor or by other means. Such verification may be performed by the Fund based on information provided by a prospective investor or based on a certification received from certain professionals with a relationship with such prospective investor, or the Fund may engage a third-party verification service to verify each investor's status as an "accredited investor." The Fund or any such third-party verification service may contact a prospective investor directly, and each prospective investor will agree in its subscription agreement to promptly provide the information necessary to complete the

verification process prior to the acceptance of the such investor's subscription.

In addition, the Fund will not be registered as an investment company under the Investment Company Act. Neither the Manager nor the Manager will be registered with the Securities and Exchange Commission as investment advisers.

COUNSEL

DLA Piper LLP (US) acts as counsel to the Fund and the Manager and Fund. DLA Piper LLP (US) does not represent the Investors as investors in the Fund. DLA Piper LLP (US)'s representation has been limited to specific matters addressed to it. No Investor shall assume that DLA Piper LLP (US) has undertaken an evaluation of the merits of an investment in the Fund. The Fund and the Manager are represented by the same legal counsel and accountants which may pose conflicts of interest. See "LEGAL MATTERS".

INVESTMENT OBJECTIVES AND POLICIES

The Fund's investment objective, under normal market conditions, is to seek capital appreciation by investing and/or trading in a diversified portfolio of digital assets ("**Digital Assets**"), which term includes, but is not limited to, virtual currencies, crypto-currencies, and digital coins and tokens. The Fund will utilize licensed proprietary arbitrage software, which consists of an automated, artificial intelligence assisted algorithmic trading engine designed to collate and analyze order book data from multiple digital asset exchanges in order to highlight price inefficiencies as and when they occur. The trading engine will take advantage of price inefficiencies through automated trade and balance optimization instructions within predetermined risk management parameters.

The Fund may pursue any strategy as determined in the sole discretion of the Manager. Such strategies may include, but are not limited to, using the aforementioned software to aim to generate returns through forex arbitrage settled in Digital Assets. Such a strategy may offer monthly liquidity while aiming to exploit price inefficiencies of Digital Assets in the pursuit of attractive risk-adjusted returns, independent of general market direction. The Fund will seek to maximize positive returns as trade instructions are calibrated to execute only when profitable opportunities are present. The strategy aims to hedge out exposure to the price movements of forex and Digital Assets, although this is not guaranteed and is subject to counterparty risk of the hedge providers. The Fund may also invest in cryptocurrency pools, may utilize any and all cryptocurrency pooling strategies, and may invest in other funds that employ pooling strategies as all or part of their investment strategy as it deems so, in order to accomplish the Fund's overall investment objectives. The Fund will seek to mitigate risk through extensive due diligence with respect to selected digital assets, exchanges, and foreign jurisdictions.

Returns relative to traditional markets are expected to be uncorrelated.

The Fund will not be subject to specific percentage limitations with respect to any style, Digital Asset, issuer, or industry. Accordingly, the Fund may, from time to time, invest and/or trade, on margin and otherwise, long and short, a substantial portion of the Fund's assets into any one of the Digital Assets described herein, or any single issuer thereof. Furthermore, there is no limit as to the percentage of an issuer's Digital Assets that the Fund may own. Positions in Digital Assets may, but are currently not expected to, be held for very short periods, even as little as a portion of one day. Any such turnover may increase transaction costs and lead to realization of taxable gain.

There can be no assurance that the Fund will achieve its investment objectives.

The Fund may invest substantially all of its assets in a separate fund established by the Manager to facilitate parallel investments by non U.S. persons and U.S. tax exempt persons.

The Fund and Fund investments will not be subject to specific percentage limitations on issuer or industry. The Fund is not managed to provide tax benefits to Investors.

The Fund does not expect to participate in initial coin offerings of Digital Assets (because the Fund invests solely in actively traded Digital Assets).

LEVERAGE AND DERIVATIVES

The Fund reserves the right, without limit, to borrow money, utilize margin, or utilize any financial instruments necessary (including, but not limited to, swaps, options, repurchase agreements, forward contracts, and other derivative instruments) for any purpose, including, but not limited to: (1) leveraging Fund assets for any purpose, including, but not limited to, enhancing the Fund's returns, if any; (2) seeking to hedge the Fund's investments and/or other assets; and (3) making speculative investments. As a result of any such leverage, the Fund may generate unrelated business taxable income. Accordingly, Interests

may not be suitable for charitable remainder trusts and tax-exempt entities, including benefit plan investors. The use of leverage entails substantial risks. See "Leverage; Interest Rates; Margin" under "CERTAIN RISK FACTORS".

DESCRIPTION OF STRATEGIES

The Fund may invest directly or indirectly in investments of all types, including one or more of the following strategies:

Arbitrage. The Fund may engage in arbitrage trades which profit from differences in price when the same security is traded on two or more markets. For example, deal arbitrage trades may be made after the announcement of a merger of two public companies. Arbitrage may also be used on both the long and short side of the investment equation with respect to the securities of the same issuer.

Other Funds and Managers. The Fund may invest in discretionary accounts managed by other money managers, hire subadvisers to manage portions of the Fund at Fund expense, and invest in other funds (including, but not limited to, U.S. or offshore unit investment trusts, open-end and closed-end fund, or other private alternative or other investment funds, regardless of whether any of the foregoing investment vehicles are affiliated with the Manager) (collectively, "Other Funds"). These Other Funds will charge their own management and other fees, so that if the Fund invests in them, an Investor will bear an additional level of fees and expenses unless waived by the Other Funds. Some of these funds may pay fees to the Manager or its affiliates. The Fund may hire sub-advisors to manage portions of the Fund at Fund expense. The Fund will invest all or a portion of its assets in SIC, which charges a performance fee of 25%, subject to a high water mark.

CERTAIN RISK FACTORS

An investment in the Fund is highly speculative and involves certain risk factors and other special considerations which prospective Investors should consider before subscribing for Interests. Additional or new risks not addressed below may affect the Fund. An investment in the Fund is suitable only for Investors who are willing to accept substantial risks of loss, including loss of entire principal.

This Memorandum contains statements which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Prospective Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various facts.

Business Risks

No Assurance of Investment Return. The Fund cannot provide assurance that it will be able to choose, make, and realize investments in any securities or instruments. There can be no assurance that the Fund will be able to generate returns or that the returns will be commensurate with the risks of investing in the type of transactions described herein. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with the Manager provide no assurance of future success.

Digital Asset Risks in General. The Fund may invest in digital assets, which generally involves a high degree of risk. The investment characteristics of Digital Assets (which term includes, but is not limited to, virtual currencies, crypto-currencies, and digital coins and tokens), generally differ from those of traditional currencies, commodities or securities. Importantly, Digital Assets are not backed by a central bank or a

national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, Digital Assets are market-based: a Digital Asset's value is determined by (and fluctuates often, according to) supply and demand factors, the number of merchants that accept it, and the value that various market participants place on it through their mutual agreement, barter or transactions.

General Economic and Market Conditions. The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, oil prices, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Such volatility or illiquidity could impair the Fund's profitability or result in losses.

Extraordinary Events. Terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits and production. An unstable geopolitical climate and continued threats of terrorism and war could have a material effect on general economic conditions, market conditions and market liquidity (i.e. depressed digital asset prices and problems with trading facilities and infrastructure). Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact the Fund.

Reforms and Government Intervention in the Financial Markets. Economic downturns can trigger various economic, legal, budgetary, tax, and regulatory reforms across the globe. Instability in the financial markets in the wake of the 2008 economic downturn led the U.S. Government and other governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that experienced extreme volatility, and in some cases, a lack of liquidity. Reforms are ongoing and their effects are uncertain. Federal, state, local, foreign, and other governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Reforms may also change the way in which the Fund is regulated and could limit or preclude the Fund's ability to achieve its investment objective or engage in certain strategies. See also "Evolving Regulatory Oversight; Business and Regulatory Risks of Hedge Funds" below. Also, while reforms generally are intended to strengthen markets, systems, and public finances, they could affect Fund expenses and the value of Fund investments.

Evolving Regulatory Oversight; Business and Regulatory Risks of Hedge Funds. The Fund is not required to register as an investment company, and has not registered as such, under the Company Act. Thus, the provisions of the Company Act intended to provide various protections to investors are not applicable. Moreover, Other Funds are generally not registered as investment companies and the Fund, in turn, is not provided the protections of the Company Act. The investment activities of the Fund and Other Funds are not subject to Company Act provisions that limit the use of leverage and regulate other investment practices. Other Funds do not generally maintain their securities and other assets in the custody of a bank or a member of a securities exchange, as generally required of registered investment companies, in accordance with certain rules of the SEC. A registered investment company that places its securities in the custody of a member of a national securities exchange is required to have a written custodial agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions designed to protect the assets of the investment company. Other Funds generally maintain custody of their assets with brokerage firms or exchanges that do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the U.S. Securities Investor Protection Act, the bankruptcy of any such brokerage firm could have a greater adverse effect on the Fund than would be the case if custody of assets were maintained in accordance with the requirements applicable to registered investment companies. There is also a risk that an Other Fund could convert to its own use assets committed to it by the Fund or that a custodian could convert to its own use assets committed to it by an Other Fund or Manager. There can be no assurance

that Other Funds or the entities they manage will comply with all applicable laws and that assets entrusted to Other Funds will be protected.

Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Fund and the ability of Other Funds to obtain leverage they might otherwise obtain or to pursue their trading strategy. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. For instance, the SEC issued an emergency order in September 2008 to temporarily ban short-selling of any publicly traded securities of certain financial firms and require institutional investment managers, including hedge fund managers, to make disclosure on a weekly basis of short positions on publicly traded equity securities. On or about the same time, other jurisdictions (e.g., United Kingdom, Australia, and Ireland) enacted emergency regulations, imposing similar regulations to those enacted by the SEC. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability to trade in securities or employ credit, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a material adverse impact on the Fund's or Other Funds' and Managers' performance and, consequently, on the Fund's portfolio.

The Fund and Other Funds and Managers may also be subject to regulation in jurisdictions in which Other Funds engage in business, which, in turn, could have a material adverse impact on value of the investments of the Fund. Investors should understand that the Fund's and Other Funds' business is dynamic and expected to change over time. Therefore, the Fund and Other Funds may be subject to new or additional regulatory constraints in the future. This Memorandum cannot address or anticipate every possible current or future regulation that may affect the Fund or its affiliates or Other Funds or their respective businesses. Such regulations may have a significant impact on the Members, the operations of the Fund, including, without limitation, restricting the types of investments the Other Funds and/or the Fund may make, preventing them from exercising voting rights with regard to certain financial instruments, requiring them to disclose the identity of their investors or otherwise. The Manager may, in its sole discretion, cause the Fund to be subject to such regulations if it believes that an investment or business activity is in the Fund's interest, even if such regulations may have a detrimental effect on one or more Members. Prospective investors are encouraged to consult their own advisors regarding an investment in the Fund.

Additionally, on July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). Dodd-Frank could adversely affect the Fund by increasing transaction and/or regulatory compliance costs. In addition, greater regulatory scrutiny may increase the Fund's and Manager's exposure to potential liabilities. Dodd-Frank creates a new framework for, amongst other things, over-the-counter derivatives markets which could impact various activities of the Fund. The impact of Dodd-Frank and other regulatory initiatives could adversely affect the Fund in substantial and unforeseen ways.

Effective September 23, 2013, the SEC amended Rule 506 of Regulation D under the U.S. Securities Act, a safe harbor private offering exemption that the Fund currently relies upon to sell Interests in the United States, to disqualify certain security offerings from relying on such exemption if any felons or other "bad actors" are involved in the offering or certain past conduct is not disclosed. The amendments provide an exception from disqualification if the Fund can show that it did not know and, in the exercise of reasonable care, could not have known that a disqualification existed. While the Fund may conduct a factual inquiry to comply with this exception from disqualification (to the extent an unknown disqualification exists), there is no guarantee the Fund will be able to demonstrate that it did not know and, in the exercise of reasonable care, could not have known that a disqualification existed, which could materially and

negatively impact the Fund and preclude the Fund from utilizing such Rule 506 safe harbor private offering exemption. In addition to "bad actor" disqualification, the SEC has proposed related rules that disqualify security offerings for other actions, such as failing to file a Form D within a certain amount of time. The consequences to the Fund for being disqualified from reliance on Rule 506 may be devastating because the Fund may have to register, substantially alter its investment strategy and activities, or completely abandon operations. Such disqualification could imperil early Investors of the Fund who would shoulder a greater risk of loss on their investment because the Fund may be unable to obtain additional capital or to continue its operations as a privately offered investment vehicle.

Government measures to regulate the financial industry and in particular private investment funds, including, but not limited to, Dodd-Frank, in combination or in the aggregate have increased and will likely continue to increase compliance costs, force change of business practices, impose significant unforeseen costs, limit the products that private investment funds can offer, limit the ability to pursue opportunities in an efficient manner, require an increase in regulatory capital, affect the value of the assets that private investment funds hold, reduce revenues and generally adversely affect the business, financial condition and results of private investment funds, their managers, their counterparties and the companies in which they invest.

Concentration of Investments. The Manager is not limited in the amount of Fund capital which it may commit to any one Digital Asset. The Fund may hold a few, relatively large Digital Asset positions in relation to the Fund's capital. The result of such concentration of investments is that a loss in any such position could materially reduce the Fund's capital.

Volatility. Volatility produces various adverse effects. In general, the rapid volatility and fluctuation of Digital Asset market prices has a tendency to undermine Digital Assets' role as a medium of exchange as retailers are much less likely to accept them as a form of payment. This lack of acceptance and potential reduction in public demand, in turn, may tend to reduce liquidity, the ability to enter into transactions at a price close to that of the previous transaction. A consequence of illiquidity is that market-makers and specialists tend to increase the spread between the price they are willing to pay for a digital asset (the bid) and the price at which they are willing to sell a digital asset (the offer). For these reasons' illiquid markets and/or digital assets may be more difficult to trade and may possess greater risk. Although volatility provides the opportunity for significant profits it also can result in equally significant losses. Such volatility theoretically could result in losses greater than the amount which would cause the Fund to dissolve. This could occur if prices in the financial markets "gap" (open much higher or lower than the previous days' close). The price of Digital Assets achieved by the Fund may be affected generally by a wide variety of complex and difficult to predict factors such as Digital Asset supply and demand; rewards and transaction fees for the recording of transactions on the block chain; availability and access to Digital Asset service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; perceived or actual Digital Asset network or Digital Asset security vulnerability; inflation levels; fiscal policy; interest rates; and political, natural and economic events.

Non-U.S. Investment Risks. The Fund may invest in Digital Assets located outside the U.S. Such non-U.S. investments involve additional risks not involved in domestic investments. The value of non U.S. investments could be materially adversely affected by inflation, currency devaluation, interest rate changes, exchange rate fluctuations, changes in government policies, more volatile and less liquid capital markets, different infrastructure and business environments, natural disasters, armed conflicts, political or social instability and other developments affecting such countries. In general, less information is publicly available with respect to foreign-based investments than is available with respect to U.S. investments.

Certain Risks of Other Funds. Certain Other Funds that the Fund may invest in will not be registered, as applicable, under the Company Act or the Advisers Act, each as amended (or any other similar state or federal laws). Some of the Other Funds may also be recently organized and have no operating histories upon which the Fund may evaluate their possible performance. Regardless of whether the Fund utilizes leverage, the Members may indirectly be exposed to the use of leverage through the Fund's investments, if any, in Other Funds. The Manager and Fund generally will have no power to control the management of

certain Other Funds including investments, valuation, brokerage policies, conflicts of interest, etc. Certain Other Funds may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to the Manager. These strategies may involve risks under some market conditions that are not anticipated by the Manager or the Other Funds. The strategies employed by Other Funds may involve significantly more risk and higher transaction costs than more traditional investment methods. If invested in any Other Funds, the Fund will receive periodic reports at the same time as, and containing the same information provided to, any other investor in such Other Funds. The Manager may make requests for additional, more detailed information from such Other Funds, but there can be no assurance that any such additional information will be provided. Such lack of access may also impact the Manager's ability to value the Fund's assets. The ability of the Fund to withdraw all or part of its investment from its Other Funds is generally limited to a quarterly, semiannual or annual basis depending upon the investment, and may be subject to lock-ups and additional restrictions (including possible redemption fees) imposed by the managers or general partners of such Other Funds. The Fund may be unable to make withdrawal payments to the Members to the extent it has invested in such Other Funds that do not permit withdrawals, will not honor the Fund's withdrawal requests or that have invested in or distributed to the Fund a side pocket or illiquid investment. To the extent that the Fund invests in Other Funds, the Fund will bear additional costs, expenses, and advisory fees (e.g. management and performance fees) in addition to the Fund's own expenses, Incentive Allocation and Management Fee (unless waived by the Manager in its sole discretion). Such Other Funds will charge their own advisory fees (which may include both management fees and performance fees) and expenses.

Events in the world financial markets, such as those that occurred in September and October 2008, may materially adversely affect Other Funds, potentially limiting the Fund's ability to fully exercise its redemption rights with regard to Other Funds due to "gates," suspensions and distributions in kind. Additionally, in some cases Other Funds may also suspend the determination of the net asset value of all or a portion of their portfolios. The absence of such valuations will make it more difficult for the Manager to accurately value the Fund's portfolio.

Certain Other Funds (if any) may require the Fund to be a qualified purchaser as defined under Section 2(a)(51)(A) of the Company Act at the time of investment. In order to qualify as a qualified purchaser, the Fund must at all times have net investments of at least U.S. \$25 million. Thus, the Fund's qualification to purchase such certain Other Funds will be dependent upon it maintaining qualified purchaser status under relevant regulations. A failure to maintain qualified purchaser status may severely impede the Fund's ability to make new or additional investments in such Other Funds.

Indemnification Obligations to Other Funds; Clawbacks. Subsequent to its withdrawal from Other Funds, the Fund may have indemnification or reimbursement obligations to Other Funds that survive beyond its withdrawal and exceed any unpaid holdback, with respect to liabilities, expenses, or other adjustments to the withdrawal value which relate to the period during which the Fund was invested in the Other Funds (or, with respect to a partial withdrawal, that portion which has been withdrawn). A reimbursement obligation could arise or be asserted, or an agreement or compromise could be reached, for example, based on the terms of the governing documents of the Other Funds, applicable law, litigation, or other less formal dispute resolution processes (a "Reimbursement Claim"). The Fund also may be subject to a Reimbursement Claim if the governing documents of the Other Funds require that the Fund be subject to a "clawback" in the event of an overpayment of withdrawal proceeds or as a result of bankruptcy proceedings involving any Other Funds. It is likely that the legal, contractual, and other authority relevant to any Reimbursement Claim will be uncertain and require the Fund, together with legal counsel, to evaluate any Reimbursement Claim and determine a course of action in a manner it considers in the best interests of the Fund and, if relevant and to the extent permitted under applicable law, other clients for whom the Manager or any of its affiliates provide investment management services and other investment funds or accounts managed by any of them. Such an evaluation may be time consuming and expensive for the Fund, its Members, and such other clients or investment funds or accounts.

A determination to pay all or a portion of a Reimbursement Claim might have different impacts on existing Members or former Members of the Fund. For example, the law, contractual agreements, or other

considerations between the Fund and Members may be different from those relevant to the underlying Reimbursement Claim, and a separate determination might be necessary with respect to whether the Fund (and its remaining Members) or former Members would be responsible for a portion of any Reimbursement Claim attributable to the former Members' previous investment in the Fund. The Fund's ability to require any former Members (with respect to all or a portion of its investment) to contribute to a Reimbursement Claim may be limited, and such Reimbursement Claims may be difficult to collect. As a result, the remaining Members in the Fund may bear the full cost of any Reimbursement Claim.

As a result of the difference between redemption policies of the Fund and the withdrawal policies' of the respective Other Funds, the Manager may be required to select Other Funds for liquidation on the basis of the redemption policies of Other Funds rather than other investment considerations, which may result in the remaining portfolio of Other Funds being less diverse in terms of investment strategies, number of Other Funds, or liquidity or other investment considerations than would otherwise be the case. Furthermore, redemptions from the Fund may result in an increased portion of the Fund's portfolio being invested in Other Funds which are relatively less liquid. In addition, the withdrawal of the Fund from an Other Fund could also involve expense to the Fund under the terms of the Fund's investment. In paying redemptions from the Fund, the Fund will consider the timing of notice and the size of the withdrawal amount in order to pay withdrawal proceeds to withdrawing Members in a manner which it deems equitable.

Misconduct, Bad Judgment, or Fraud of Other Funds and Managers and Their Service Providers. Misconduct by employees of Other Funds or by their third-party service providers could cause losses to the Fund. Employee misconduct may include binding a fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or other fraud. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. Although the Manager will seek to monitor Other Funds, such measures may not be effective in all cases in detecting fraud or misconduct. In addition, the Fund will still face the risk of Other Funds' misrepresentation, material strategy alteration (see "Style Drift" below) or poor judgment.

When the Fund invests in Other Funds, it does not have custody of the Other Funds' assets. Therefore, there is the risk that the custodian for the Other Funds could abscond with those assets. The Other Funds are generally private and have not registered their securities under U.S. federal or state securities laws. Moreover, there can be no assurances that the Other Funds will be operated in accordance with all applicable laws and that assets entrusted to Other Funds will be protected. Instances of fraud and other deceptive practices committed by Other Funds may undermine the Manager's due diligence efforts with respect to such parties, and if such fraud is discovered, negatively affect the valuation of the Fund's investments. In addition, when discovered, investment fraud may contribute to overall market volatility that can negatively impact the Fund's investment program.

Financial Fraud. Instances of fraud and other deceptive practices committed by senior management of certain digital asset companies from which the Fund purchases digital assets may undermine the Fund's due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact the Fund's investment program. Digital Asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Digital Asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft, government or regulatory involvement, failure or security breaches, or banking issues.

Style Drift. The Manager cannot control the investments made by Other Funds and relies primarily on information provided by Other Funds in assessing Other Funds' and Managers' defined investment strategies, the underlying risks of such strategies and, ultimately, determining whether, and to what extent,

it will allocate the Fund's assets to such Other Funds. "Style drift" is the risk that an Other Fund may deviate from the stated or expected investment strategy. Style drift can occur abruptly if a manager believes it has identified an investment opportunity for higher returns from a different approach (and the manager disposes of an interest quickly to pursue this approach) or it can occur gradually, such as if, for instance, a "value" oriented manager gradually increases investments in "growth" stocks. Style drift can also occur if a manager focuses on factors it had deemed immaterial in its offering documents - such as particular statistical information or returns relative to certain benchmarks. Additionally, style drift may result in a manager pursuing investment opportunities in an area in which it has a competitive disadvantage or is outside the manager's area of expertise (e.g., a large-cap manager focusing on small-cap investment opportunities). Moreover, style drift poses a particular risk for multiple-manager structures since, as a consequence, the Fund may be exposed to particular markets or strategies to a greater extent than was anticipated by the Manager when it assessed the portfolio's risk-return characteristics and allocated assets to Other Funds (and which may, in turn, result in overlapping investment strategies among various Other Funds). The Manager's sole remedy in the event of a deviation by an Other Fund from its offering or other governing documents may only be to cause the Fund to withdraw capital, subject to any applicable withdrawal restrictions.

Effect of Withdrawals. Withdrawals by Members could require the Fund to liquidate or close out positions more rapidly than would otherwise be desirable, which could reduce the value of Fund assets and cause a resulting reduction in the value of Limited Liability Company interests, and can lead to increased trading costs and negative tax effects. Substantial withdrawals could also force the Fund to sell its more liquid holdings, leaving it with a higher proportion of relative illiquid securities in its portfolio and further reducing the Fund's ability to distribute in the event of further withdrawals. Withdrawals could also cause increased brokerage commissions and realization of taxable gains if the Fund needs to sell securities in order to raise cash for withdrawals.

Effect of Fund Size and Growth. Early Investors to the Fund may find risks and expenses amplified by the small size of the Fund. As the Fund grows, it may experience greater difficulty in finding acceptable investments without adversely affecting the prices at which it buys and sells the digital assets. Also, new digital assets purchases will cause brokerage commissions that will be shared by all Investors.

Cybersecurity Risks. Cybersecurity incidents and cyber attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The Manager will seek to prevent and mitigate any such incidents but there is no guarantee that it will be successful in such efforts. A cybersecurity incident could have numerous material adverse effects on the Fund. Such incidents could impair the operations, liquidity and financial condition of the Fund, amongst other potential threats and risks. Cyber threats and/or incidents could cause financial costs from the theft of Fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage.

Epidemics, Pandemics and Other Health Risks. The world has experienced a number of outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and SARS-CoV-2, which causes the coronavirus disease known as COVID-19. The ongoing outbreak of COVID-19 has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility in the financial markets.

The ultimate impact of COVID-19 on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict. The extent of COVID-19's

impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior. The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund.

Leverage

Generally. The Fund reserves the right, without limit, to borrow money, utilize margin, or utilize any financial instruments necessary (including, but not limited to, swaps, options, repurchase agreements, forward contracts, and other derivative instruments) for any purpose, including, but not limited to: (1) leveraging Fund assets for any purpose, including, but not limited to, enhancing the Fund's returns, if any; (2) seeking to hedge the Fund's investments and/or other assets; and (3) making speculative investments.

Leverage. The use of leverage will expose the Fund and its Members to substantial risk of loss. The Fund may utilize substantial leverage and the amount of borrowings outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Fund can borrow in particular, will affect the operating results of the Fund. The low margin deposits normally required in connection with certain of the Fund's activities permit a considerable degree of leverage and, as a result, relatively small price movements can result in immediate and substantial losses.

Management Risks

Officers of the Manager Not Full Time. The Manager and its members, officers and employees, and their respective affiliates, will devote the time and effort that they deem adequate to develop and operate the Fund's business, but may not devote their full working time to the operations of the Fund. There can be no assurance, for example, that the members of the Manager will devote any minimum number of hours each week to the affairs of the Fund or that they will continue to be employed by the Manager. In addition, they are not prohibited from engaging in other investment related activities similar to or different from the investment activities engaged in by the Fund. The members, managers and employees of the Manager and its respective affiliates who perform services for the Fund, may also perform similar or different services for others or for their own account and, accordingly, may have conflicts in allocating management time, services and functions among the Fund and other accounts for which they provide services, including other affiliates of the Manager. In addition, the Manager may manage accounts for other clients. There is no specific limit as to the number of accounts which may be managed or advised by the Manager. In connection with its advisory activities on behalf of other accounts or entities, the Manager may receive compensation which exceeds that which is received from the Fund. In such event, the Manager may have an incentive to favor such other accounts and/or entities. The performance of the Fund could also be adversely affected by the manner in which particular orders are entered or trades are allocated for all such other accounts and entities; however, the Manager will allocate trades fairly and reasonably with respect to the Fund.

Lack of Management Control by Members. Under the Limited Liability Company Agreement, the Members do not have the right to participate in the management, control or operation of the Fund or to remove the Manager.

Reliance upon Manager. The success of the Fund depends on the ability of the Manager to identify, select and realize investments consistent with the Fund's objectives. See "The Fund and the Manager."

Dependence of the Fund on Key Individuals. The Fund is dependent on the experience and expertise of the principal officers of the Manager. In the event of death, disability or departure of such persons, the

business of the Fund could be adversely affected. In the event that certain employees cease to be actively involved in the Fund, the Members will be required to rely on the ability of the Manager to identify and retain other investment professionals to manage the Fund's investments. In the event of the dissolution of the Manager, the Fund shall, pursuant to the terms of the Limited Liability Company Agreement, dissolve and its assets shall be liquidated and appropriately distributed unless more than 50% of the Member Interests elect to continue the business and appoint one or more new managers within ninety (90) days.

Limited Assets for Investor Recourse. The Manager is thinly capitalized and not expected to have, or retain, any material amount of assets, which means there may be limited backstopping (if any) for Investor claims (if any), against the Manager.

Fund Risks

Proprietary Investment Strategies. The Manager may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to the Investors. These strategies may involve risks under some market conditions that are not anticipated by the Manager. The Manager generally uses investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds. Such strategies may not be, or may become less, profitable over time, if at all, as the Manager and competing asset managers or investors manage a larger group of assets in the same or similar manner or market conditions change. The strategies employed by the Manager may involve significantly more risk and higher transactions costs than more traditional investment methods.

Lack of Transferability of Interests. At present there is no public market for the Interests, and no public market for the Interests is contemplated. The Interests have not been registered under the Securities Act or the Company Act and may not be transferred unless so registered or an exemption from registration is available. Consequently, the Interests are restricted securities and will not be liquid investments. Even if a purchaser for a Member's Interest is available, approval of the transfer by the Manager (which may deny such approval in its absolute discretion) and satisfaction of certain requirements specified in the Limited Liability Company Agreement will be required before any transfer may occur. In addition, no interests in the Fund may be transferred if such transfer would result in Benefit Plan Investors holding 25% or more of the Interests in the Fund (or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines).

Distributions. Distributions, if any, will be made at the discretion of the Manager. There is no guarantee that the Fund will generate any income or gains, and it is anticipated that the Manager will reinvest net investment income and net realized investment gains. Distributions, if any, will be made in cash or in kind in the discretion of the Manager. If, in the sole discretion of the Manager, a distribution is made, it will generally be made in accordance with the positive balances of the Members' Capital Accounts as adjusted, provided that, notwithstanding any other statement herein or under the laws of Delaware, when distributing assets of the Fund, the Manager may, in its sole discretion, distribute any specific asset, whether divisible or not, of the Fund to one or more Members on a non pro rata basis. However, notwithstanding any other statement herein, the Manager may make distributions at any time to some or all Members as determined in its sole discretion (including based on estimated values with respect to Fund assets generally when it is not reasonable for the Fund to fairly determine the value of the Fund's assets). The Manager does not intend to pay distributions in amounts sufficient to pay current taxes due on such Member's Interest in the Fund. The Manager may make distributions to itself from its Capital Account at any time. Investors should be aware that they will be taxed annually on Fund income and realized gains, if any, whether or not they receive any cash distributions from the Fund.

Negotiation of the Limited Liability Company Agreement. The Manager has generally determined the terms of the Limited Liability Company Agreement, which were not negotiated on an arm's-length basis. Legal counsel for the Manager has not acted as counsel for or represented the interests of the Members. Potential Investors should consult with their own legal counsel with respect to the Fund.

Lack of Insurance. The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection Corporation and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Lack of Operating History. Each of the Fund and the Manager is newly organized and has no operating history upon which Investors may evaluate its possible performance.

Portfolio Turnover. The Fund intends to purchase or sell a given Digital Asset whenever it believes the transaction will contribute to its stated objective, even if the same Digital Asset has only recently been traded. Similarly, a Digital Asset position may be liquidated regardless of its holding period, whether the liquidation is at a gain or at a loss. It is generally not possible to estimate the rate of turnover and any portfolio turnover may be significant. Turnover may lead to realization of taxable gains for Members and increased brokerage and other transaction costs borne by Members.

Withdrawals. There are a number of restrictions on withdrawals. Monthly redemptions will be issued for withdrawal requests received forty-five (45) days before the end of the calendar month from which the withdrawal is sought. No withdrawal will be permitted if, immediately following such withdrawal, Benefit Plan Investors would hold 25% or more of the Interests in the Fund (or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines). Furthermore, notwithstanding any other statement herein, the Manager may limit or prohibit withdrawals, notwithstanding whether or not valuation of the Fund's assets have been suspended, including under extraordinary or emergency circumstances or if, in its discretion, such withdrawals would not be in the best interests of the Fund or maximize the return available by having to sell an investment to satisfy such withdrawals; in addition to the foregoing reasons, in the Manager's sole discretion, the Fund may also refuse requests for withdrawals or delay withdrawals or payments if the Fund is not sufficiently liquid, which shall be determined in the sole discretion of the Manager. Any Member's withdrawal request that has been prohibited or refused pursuant to the foregoing, will be deemed cancelled and must be timely resubmitted, if the Member continues to desire a withdrawal, on a subsequently permitted Withdrawal Date; delayed withdrawal requests, and any withdrawal requests that have been resubmitted as a result of a cancellation, shall not be given priority on a subsequently permitted Withdrawal Date. In any of the foregoing circumstances, the Management Fee and Incentive Allocation will still be applied to the Interests (including based on estimates of the Fund's assets and Capital Account values in the event that withdrawals and/or valuation of the Fund's assets are suspended). The Fund may, but is not obligated to, hold un-invested cash, sell investments or borrow in order to honor withdrawals. As a result, Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. There is no guarantee that such limited withdrawal rights will allow an Investor to withdraw all, or any portion of, its investment at the most opportune time. Valuation estimates may cause uncertainty in the withdrawal amount the Investor will receive. For a more detailed description of withdrawal restrictions, see "WITHDRAWALS".

Additionally, substantial withdrawals within a short period of time could require the Fund to liquidate Digital Asset more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Fund's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recapture losses due, among other things, to reductions in the Fund's ability to take advantage of particular investment opportunities.

Involuntary Liquidation of a Member's Interest. The Manager may, in its sole discretion, upon written notice to any Member, terminate and redeem the interest of any Member in the Fund.

Trade Error Risks. On occasion, errors may occur with respect to trades executed on behalf of the Fund. Trade errors can result from a variety of situations, including, for example, when the wrong digital asset is purchased or sold, when the correct digital asset is purchased or sold but for the wrong account, and when the wrong quantity is purchased or sold (e.g. 1,000 shares instead of 10,000 shares are traded). Trade

errors frequently result in losses but may, occasionally, result in gains. The Manager will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, the Manager will strive to recover any losses associated with such error from such third party. The Manager will determine whether any trade error has resulted from gross negligence on its part, and, unless it finds that to be the case, any losses will be borne by (and any gains will benefit) the Fund. Investors should be aware that, in making such determinations, the Manager will have a conflict of interest.

Valuation Risks. The Fund's liquid assets, as determined in the sole discretion of the Manager, will be fair valued monthly. For liquid assets (i.e. Digital Asset with readily available market quotations), valuations will generally be based upon the closing price or final bid price for a Digital Asset held on an exchange or market as of the close of business. The Manager or its delegate will try to determine the fair value (which may be equal to cost) of any illiquid assets (excluding the Other Funds and Managers) of the Fund (i.e. securities without readily available market values) at least quarterly. Generally, ASC 820, which sets forth certain GAAP related valuation requirements, and other accounting rules applicable to investment funds and various assets they invest in, are evolving. Such changes may adversely affect the Fund. For example, the evolution of rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations (if any) of fair market value. This may in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination (if any) of fair market value.

The Manager, or its delegate, may further adopt, in connection with the foregoing, detailed or simple (e.g. cost) valuation methods and procedures to override valuations provided by methods described above when it deems such prices unreliable. However, mistakes may be made in valuations, which may cause them to be inaccurate. There is no guarantee that fair value will represent the value that will be realized by the Fund on the eventual disposition of any Digital Asset. Furthermore, the value of any Digital Asset may decrease due to subsequent events. Therefore, valuations may not reflect a decrease in the value of any Digital Asset due to events subsequent to the date of the valuations. As a result of any of the foregoing, Members withdrawing from the Fund may not necessarily participate in gains or losses therefrom. Inaccurate valuations may impact the Management Fee, and the Capital Accounts of Investors whether or not they invest or redeem based on such valuations. See "Valuation of Investments" under "CONFLICTS OF INTEREST". Furthermore, once a Member withdraws its Interests (whether in partial or full), notwithstanding any inaccurate valuations at the time of such withdrawal of Interests, such Member no longer has any claims with respect to withdrawn Interests if it turns out such Interests were really worth more; however, notwithstanding any other statement herein, the Fund may seek, and Members agree to allow the Fund, to recover amounts distributed to Members to the extent required by law or if such amounts are later found to have been distributed in excess or subject to an existing or subsequent applicable liability or expense. See "Clawback" below. Absent bad faith or manifest error, the Manager's asset value determinations are conclusive and binding on all Members.

For future Investors in the Fund, the Manager may, in effect, "sell" a piece of each current Investor's indirect interest in each specific investment to such future Investors. Implicit in any such "sale" is that the Fund carries each such investment at an estimated fair value, which may be cost. If the Manager's estimate of fair value is wrong under such circumstances, say too low, then the Manager may have "sold" it to the future Investor at a discount, which may be viewed as an adverse consequence to current Investors. Conversely, if the estimated fair value is too high a value for such investment, any future Investor will be "paying" too much for such investment, which may be viewed as an adverse consequence to future Investors.

Clawback. Notwithstanding any other statement herein, the Fund may seek, and Members agree to allow the Fund, to recover amounts distributed to Members to the extent required by law or if such amounts are later found to have been distributed in excess or subject to an existing or subsequent applicable liability or expense, including based on: (1) later, more accurate, valuations; (2) the discovery or recognition after any period of a liability or expense (including, but not limited to, indemnification rights of, or related to, the Fund and/or Manager) that relates to the period in which such distribution was based upon; (3) bankruptcy

proceedings; or (4) one of the Other Funds (if any) requires the Fund to return, or has the right to redraw such, distributions the Fund received from such Other Funds (including, but not limited to, as required by law or in connection with any indemnification obligation pursuant to the terms of such Other Funds). Such requirement shall survive the withdrawal of any Member, the dissolution and liquidation of the Fund, or both. However, notwithstanding the foregoing, there is a risk that the Fund may be unable to recover such amounts distributed to Members (or prior Members), which means Members could bear losses or disproportionate losses related to earlier accounting periods of the Fund, including accounting periods in which such Members were not invested in the Fund.

Absence of Regulatory Oversight. This offering has not been registered under the Securities Act in reliance on the exemptive provisions of Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder, which exempts "transactions by a fund not involving any public offering". Similar reliance has been placed on apparently available exemptions from securities qualification requirements under applicable state securities laws. While the Manager believes reliance on such exemptions are justified, no assurance can be given that the offering currently qualifies or will continue to qualify under one or more of such provisions due to, among other things, the adequacy and scope of disclosure, the manner of distribution, failures to make notices, filings, the existence of similar offerings in the past or in the future, concurrent offerings by other companies, or the retroactive or other change of any laws, including securities laws, regulations, and interpretations. Failure to qualify this offering for such exemptions could result in the rescission of sales of Interests at prices higher than the current value of those Interests. If, and to the extent that, claims or suits for rescission are brought and successfully concluded for failure to register this offering or other offerings or for acts or omissions constituting offenses under the Securities Act, the Exchange Act or applicable state securities laws, the Fund could be materially and adversely affected, jeopardizing the ability of the Fund to operate and perform successfully. Even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect the Manager's ability to conduct the Fund's business. Furthermore, the human and capital resources of the Fund and the Manager could be adversely affected by the need to defend actions under these laws, even if the Fund is ultimately successful in its defense.

The Manager believes that, by virtue of Section 3(c)(1) of the Company Act, the Fund should not be deemed to be an "investment company" and, accordingly, should not be required to register as such under the Company Act. That provision depends, in part, however, on the Fund's voting securities (if the limited liability company interests were to be deemed "voting securities" for purposes of Section 3(c)(1) of the Company Act) being held by not more than 100 beneficial owners. The rules and interpretations of the SEC and the courts, relating to the definition of "voting securities" and the counting of "beneficial owners" are highly complex and uncertain in numerous respects. As a result, no assurance can be given that the Fund will not be deemed an "investment company" for purposes of the Company Act and required to register as such thereunder, in which event the Fund and the Manager could be subject to legal actions by regulatory authorities and others and could be forced to dissolve. The costs of defending any such action could constitute a material part of the Fund's assets and dissolution could have materially adverse effects on the Fund and the value of the Interest.

Securities and investment businesses generally are comprehensively and intensively regulated under state and federal laws and regulations. Any investigation, litigation or other proceeding undertaken by state or federal regulatory agencies or private parties could necessitate the expenditure of material amounts of the Fund's funds for legal and other costs and could have other materially adverse consequences for the Fund.

The Fund has not registered this offering under the Securities Act in reliance on the exemptive provisions of Rule 506(c) of Regulation D promulgated under the Securities Act which permits general solicitation. The Fund also has relied on exemptions from securities registration requirements under applicable state securities laws. Investors in the Fund, therefore, will not receive any of the benefits that registration may be deemed to afford. Given the nature of the Fund's investment, it is anticipated that the Fund will not be an "investment company" required to register as such under the Investment Company Act. Investors in the Fund, therefore, will not have the protections that may be deemed to be afforded to investors

under those laws. If, however, more than 40% of the Fund's assets are deemed to be securities, the Fund may be required to register as an investment company under the Investment Company Act, or rely upon an applicable exemption therefrom. In the event the Fund is required to register under the Investment Company Act or is deemed to be an unregistered investment company, the Members are likely to be adversely affected.

The Fund is not registered and does not intend to register as an investment company under the Company Act, in reliance upon an exemption available to privately offered investment companies. Accordingly, the Fund will not be subject to the provisions of such statute, such as conflict of interest rules, requirements for disinterested directors and other substantive provisions which were enacted to protect investors. The Manager is not registered as an investment adviser under the Advisers Act or any similar state law. Accordingly, the provisions of the Advisers Act which, among other things, require that the registered adviser use a "Qualified Custodian" to custody customer funds and securities, designate a chief compliance officer, adopt a compliance manual and a code of ethics, provide investors with specified disclosures (on Form ADV), and be subject to SEC oversight, will not be applicable.

Incentive Allocation and Other Risks. The Incentive Allocation as described below may create an incentive for the Fund to make investments that are riskier than it would otherwise make. In addition, because the Incentive Allocation is calculated on a basis that includes unrealized appreciation of the Fund's assets, it may be greater than if such allocation was based solely on realized gains. The Incentive Allocation is calculated over a period of time shorter than that used by many investment funds, which increases the risk that an Investor will pay a performance fee for only short-term positive performance.

The Fund's "high water mark" provision means that if there is a loss carryforward in a prior calendar month, no Incentive Allocation will be paid with respect to any subsequent calendar month until the aggregate Profit in such subsequent calendar month is greater than the sum of such net Loss, for that and such preceding calendar months, and then, only to the extent that Profit exceeds the loss carry forward (the "High Water Mark"). While generally the High Water Mark seeks to achieve, but does not guarantee, that you will only incur an Incentive Allocation on cumulative Profits, the Incentive Allocation may be made even if the Fund doesn't generate a Profit over the life of your investment.

There is a potential conflict of interest between the responsibility of the Manager to maximize profits from investment and trading and the possible desire of the Manager to avoid taking risks which might reduce the net asset value of the Fund and, consequently, reduce the Management Fee paid to the Manager. Conversely, there is also a potential conflict of interest between the responsibility of the Manager to minimize risk from investment and trading and the possible desire of the Manager to take excessive risks in order to increase the net asset value of the Fund and, consequently, increase the Management Fee paid to the Manager.

Use of Side Letters. The Fund may from time to time seek to induce investment by offering investment terms which are not available to other investors in the Fund. In such cases the parties may enter into a written side arrangement varying the terms of the offer. Such variations may include, without limitation, variations to fees, minimum investment or redemption terms, with the effect that not all investors in the Fund will invest on the same terms and some investors may enjoy more favorable terms and information than other investors. There is no limit with respect to the percentage of Investors who may receive side letters in the Manager's discretion. Accordingly, a significant percentage of Investors may have special rights.

In some cases certain Investors may be at a disadvantage and suffer losses if the Manager grants other Investors preferred access to information, especially if coupled with preferred rights to redeem. Such practice may be reasonable however, because it is fully disclosed, and it is expected that in many cases preferential terms will be given only to large Investors or early Investors who provide benefits of scale to the Fund that benefit all Investors.

No Separate Counsel. DLA Piper LLP (US) acts as counsel to the Fund and the Manager in connection with its offering of Interests and, in certain capacities related to the Fund, the Investment Manager. In connection with the Fund's offering of interests and subsequent advice to the Manager, DLA Piper LLP (US) does not represent Investors of the Fund. No independent counsel has been retained to represent Investors of the Funds.

FOIA. To the extent that the Manager determines in good faith that, as a result of the U.S. Freedom of Information Act ("**FOIA**"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, an Investor or any of its affiliates may be required to disclose information relating to the Fund, its affiliates, and/or any entity in which an Investment is made (other than certain fund-level, aggregate performance information as determined in the sole discretion of the Manager), which disclosure could, for example, affect the Fund's competitive advantage in finding attractive investment opportunities, the Manager may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided, if at all, to such Investor.

OFAC and FCPA Considerations. Economic sanction laws in the United States and other jurisdictions may prohibit the Manager, its professionals and the Fund from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict the Fund's investment activities in certain emerging market countries.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. The Manager, its professionals and the Fund are committed to complying with the U.S. Foreign Corrupt Practices Act ("**FCPA**") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities and for Investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has recently significantly expanded the reach of its anti-bribery laws. While the Manager will generally seek to ensure strict compliance by the Manager and its personnel with the FCPA, it may not be effective in all instances to prevent violations. In addition, in spite of the Manager's efforts, affiliates of the Fund's Investments, particularly in cases where the Fund or another sponsored fund or vehicle does not control such Investment, may engage in activities that could result in FCPA violations. Any determination that the Manager has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject the Fund to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Manager's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

Pay-to-Play Laws, Regulations, and Policies. In light of controversies and highly publicized incidents involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the Manager (or its employees or affiliates) fail to comply with such pay-to-play laws, regulations or policies (to the extent applicable), such non-compliance could have an adverse effect on the Fund by, for example, providing the basis for the withdrawal of the affected government plan investor.

Other Digital Asset Risks

Digital Asset Exchanges.

General

The exchanges on which Digital Assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. Digital Asset exchanges may be start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require fiat currency funds to be deposited in advance in order to purchase Digital Assets, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of Digital Assets, fiat currency proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Assets from a personal account to a third-party's account. The Fund will take credit risk of an exchange every time it transacts. Digital Asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of Digital Assets for fiat currency difficult or impossible. Additionally, Digital Asset prices and valuations on Digital Asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of Digital Assets remain subject to any volatility experienced by Digital Asset exchanges, and any such volatility can adversely affect an investment in the Fund.

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

Exchanges may even shut down or go offline voluntarily, without any recourse to investors. For example, on February 25, 2014, the Bitcoin website for one of the largest Bitcoin exchanges, Mt. Gox, was taken offline suddenly, without any notice or warning to investors or the public. It was reported that Mt. Gox voluntarily shut down because it was unable to account for over 850,000 Bitcoin (valued at approximately 450 million dollars at the time). According to news reports, hackers siphoned Bitcoin from Mt. Gox by changing the unique identification number of a Bitcoin transaction before it was confirmed on the Bitcoin network. Although 200,000 Bitcoin have since been recovered, the reasons for their disappearance remain

unclear. Mt. Gox ultimately filed for bankruptcy in Japan, and bankruptcy protection in Japan and the United States. As a result, the price of Bitcoin decreased drastically, adversely affecting all Bitcoin holders. In many of these instances, the customers of such exchanges have not been compensated or made whole for the partial or complete loss of their account balances. An exchange may be unable to replace missing Digital Assets or seek reimbursement for any theft of Digital Assets, adversely affecting investors and an investment in the Fund.

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

Limited Exchanges on Which to Trade

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

Non-U.S. Operations

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

Risks of Buying or Selling Digital Assets

The Fund may transact with private buyers or sellers or Digital Asset exchanges. The Fund will take on credit risk every time it purchases or sells Digital Assets, and its contractual rights with respect to such transactions may be limited. Although the Fund's transfers of Digital Assets or fiat currency will be made to or from a counterparty which the Manager believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, the Fund's Digital Assets or fiat currency could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Fund's Digital Assets or fiat currency (through error or theft), the Fund will be unable to recover incorrectly transferred Digital Assets or fiat currency, and such losses will negatively impact the Fund.

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

Risks Relating to Government Oversight

The regulatory schemes—both foreign and domestic—possibly affecting Digital Assets or a Digital Asset network may not be fully developed. It is possible that any jurisdiction may, in the near or distant future,

adopt laws, regulations, policies or rules directly or indirectly affecting a Digital Asset network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use Digital Assets, or to exchange Digital Assets for either fiat currency or other virtual currency. It is also possible that government authorities may claim ownership over mathematical Digital Asset network source codes and protocols or law enforcement agencies (of any or all jurisdictions, foreign or domestic) may take direct or indirect investigative or prosecutorial action related to, among other things, the use, ownership or transfer of Digital Assets, resulting in a change to its value or to the development of a Digital Asset network (e.g., the closure and seizure of Silk Road and the closure and seizure of www.libertyreserve.com—the domain name for Liberty Reserve, an online, virtual currency payment processor and money transfer system that the U.S. government alleges acted as a financial hub of the cyber-crime world).

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

Irrevocable Digital Asset Transactions. Just as the block chain (or similar technologies) creates a permanent, public record of Digital Asset transactions, it also creates an irrevocable one. Transactions that have been verified, and thus recorded as a block on the block chain (or similar technologies), generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Digital Assets, the transaction is not reversible. The Fund may be unable to replace missing Digital Assets or seek reimbursement for any erroneous transfer or theft of Digital Assets. To the extent that the Fund is unable to seek redress for such action, error or theft, such loss could adversely affect an investment in the Fund.

Third Party Wallet Providers. The Fund intends to use third party wallet providers to hold the Fund's Digital Assets. The Fund may have a high concentration of its Digital Assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. The Fund is not required to maintain a minimum number of wallet providers to hold the Fund's Digital Assets. The Fund may not do detailed information technology diligence on such third-party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third-party wallet providers may not indemnify the Fund against any losses of Digital Assets. Digital Assets held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such Digital Assets. The Fund may also incur costs related to third party storage. Any security breach incurred cost or loss of Digital Assets associated with the use of a third-party wallet provider, may adversely affect an investment in the Fund.

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

Hackers. Hackers or malicious actors may launch attacks to steal, compromise, or secure Digital Assets, such as by attacking Digital Asset network source code, exchange servers, third-party platforms, cold and hot storage locations or software, or Digital Asset transaction history, or by other means. For example, in February 2014, Mt. Gox suspended withdrawals because it discovered hackers were able to obtain control

over the exchange's Bitcoin by changing the unique identification number of a Bitcoin transaction before it was confirmed by the Bitcoin network. Further, Flexcoin, a so-called Bitcoin bank, was hacked in March 2014 when attackers exploited a flaw in the code governing transfers between users by flooding the system with requests before the account balances could update—resulting in the theft of 896 Bitcoin. As the Fund increases in size, it may become a more appealing target of hackers, malware, cyber-attacks or other security threats. The Fund will undertake efforts to secure and safeguard the Digital Assets in its custody from theft, loss, damage, destruction, malware, hackers or cyber-attacks, which may add significant expenses to the operation of the Fund. There can be no assurance that such securities measures will be effective. The Fund may be unable to replace missing Digital Assets or seek reimbursement for any theft of Digital Assets, adversely affecting an investment in the Fund.

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

Legal Claims. To the extent that the creation, use or circulation of Digital Assets, or a Digital Asset network generally, violates any foreign or domestic statute or regulation (such as the Stamp Payments Act of 1862 or US. federal counterfeiting statutes), or government, quasi-government, or private individuals assert intellectual property claims against Digital Asset network source code or related mathematical algorithms, the Fund could be adversely affected. To the extent that any individual, institution, government or other authority asserts a claim of ownership or wrongful possession over the Digital Assets in the custody of the Fund, the Fund could be adversely affected. Regardless of the merit of such legal action, lack of confidence in Digital Assets and a Digital Asset network may adversely affect an investment in the Fund.

Risks of Uninsured Losses. Though the Fund may seek to insure its Digital Asset holdings, it may not be possible, either because of a lack of available policies or because of prohibitive cost, for the Fund to obtain insurance of any type that would cover losses associated with Digital Assets. If an uninsured loss occurs or a loss exceeds policy limits, the Fund could lose a portion or all of its assets.

Tax Risks

Generally. The tax aspects of an investment in the Fund are complicated and each Member should have them reviewed by professional advisers familiar with a Member's personal tax situation and with the tax laws and regulations applicable to a Member and private investment vehicles. The Fund is not intended and should not be expected to provide any tax shelter but is organized as a limited liability company taxed as a partnership to permit any distributions it might make to be made without being taxed as dividends. Prospective Members should review the section entitled "CERTAIN FEDERAL INCOME TAX CONSIDERATIONS" for a more complete discussion of certain of the tax risks inherent in the acquisition of interests in the Fund.

Challenges of Tax Positions Taken by the Fund. The Fund may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts particularly since the treatment of Digital Assets for tax purposes is evolving and unclear in many respects. Should any such positions be successfully challenged by the IRS, a Member might be found to have a different tax liability for that year than that reported on his or its federal income tax return.

Audits of the Fund. In addition, an audit of the Fund may result in an audit of the returns of some or all of the Members, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a Member's investment in the Fund. If such adjustments result in an increase in a Member's federal income tax liability for any year, such Member may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund. The cost of any audit of a Member's tax return will be borne solely by the Member.

Tax Treatment as an "Investor" or "Trader". Based on its activities, the Fund may be treated as an "investor" or a "trader" with respect to its securities transactions for United States federal income tax purposes. The determination of whether and to what extent the Fund will be classified as a "trader" in securities or as an "investor" in securities for United States federal income tax purposes will be based on all of the facts and circumstances surrounding the activities of the Fund. It is possible that the IRS could disagree that the Fund should be classified as a "trader" for United States federal income tax purposes, which could adversely affect the Members. See "Limitations on the Deductibility of Losses and Expenses" under "CERTAIN FEDERAL INCOME TAX CONSIDERATIONS" for a more detailed explanation as well as other tax considerations.

Tax Exempt Entities. Certain prospective Members may be subject to federal and state laws, rules and regulations which may regulate their participation in the Fund, or their engaging, directly or indirectly through an investment in the Fund, in investment strategies of the types which the Fund utilizes from time to time. Each type of exempt organization may be subject to different laws, rules and regulations, and prospective Members should consult with their own advisers as to the advisability and tax consequences of an investment in the Fund. In particular, exempt organizations should consider the applicability to them of the provisions relating to "unrelated business taxable income." Investments in the Fund by entities subject to ERISA and other tax-exempt entities require special consideration.

The foregoing list of risk factors does not purport to be a complete enumeration of the risks involved in an investment in the Fund. Prospective Investors should read the entire Memorandum and consult with their own advisors before deciding to subscribe for an Interest.

Prospective Investors should consult their tax advisor with specific reference to their own tax situations for a complete and comprehensive discussion, analysis and explanation of the federal income tax considerations applicable to an investment in the Fund, as well as the application and effect of state, local and other tax laws and any possible changes in the tax laws after the date hereof.

THE FUND AND THE MANAGER

Organization. Stewards Arbitrage Fund, LLC is a private investment fund that was organized as a limited liability company under Delaware law on January 29, 2021 (the "**Fund**"). The Fund was formed for the primary purpose of enabling qualified Investors to pool their investment resources in order to participate in certain investment opportunities, as described more fully elsewhere herein, that become available to the Fund. The Fund does not intend to register under the Company Act by virtue of section 3(c)(1) thereunder and, accordingly, will have no more than 100 beneficial owners.

The Manager. The Fund's manager is Stewards Capital Management, LLC (the "**Manager**"), a limited liability company organized under the laws of Delaware on February 10, 2021. The manager is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), (or any similar state law). Larry Bryan, Glen Steward, and Bilal Adam will have primary responsibility for the Fund's investment decisions.

Broker

The Fund may retain at Fund expense one or more financial institutions or brokers. Unless the Fund hires a separate custodian, any broker (or its affiliates) generally also will provide or arrange for custody for the assets of the Fund.

Certain risks may materialize when utilizing any broker for any of the foregoing or other services. Because Digital Assets of the Fund held by brokers or exchanges directly, they may not be required to be held in the Fund's name, a failure of such a broker or exchange may have a greater adverse impact on the Fund than if such Digital Assets were registered in the Fund's name. In the event of the bankruptcy of, or the happening of other extraordinary circumstances to, the broker, the Fund's assets could be at risk or

frozen and/or the Fund could experience difficulty or delay in executing transactions with respect to any assets at such prime broker.

From time to time, certain potential conflicts of interest between the Fund on one hand, and the broker and its affiliates on the other hand, may arise. The broker and its affiliates may also engage in business activities, other than those of the Fund, whether or not such activities are competitive with the Fund. Furthermore, the prime broker and its affiliates may make investment decisions for other clients which are contrary to positions taken on behalf of the Fund.

Third Party Administrator. The Fund may enter into an agreement (the "Administration Agreement") with a third party administrator (the "Third Party Administrator"), under which the Third Party Administrator would serve as administrator for the Fund and handle the accounting of the Fund, at Fund expense, under the overall direction of the Manager. The Fund currently intends, but is not required to, utilize Mainstream Fund Services, Inc. as the Third-Party Administrator. In the sole discretion of the Manager, whether or not a third-party administrator has been retained, the Manager, or an affiliate thereof, may in the future perform some or all of the Fund's administration activities on its own. As administrator, the Third Party Administrator would be expected to perform certain day-to-day administrative tasks on behalf of the Fund, including, but not limited to, accounting; preparing and maintaining the Fund's books, records, and accounts, including a general ledger, portfolio results and expenses; delivering to the Fund financial statements and statements of changes in equity; allocating net income or loss to Members' Capital Accounts; and calculating Net Asset Value (as hereinafter defined) and fees.

The Third-Party Administrator is not responsible for any trading or valuation decisions of the Fund all of which decisions will be made by the Manager.

To the extent that the Third Party Administrator relies on information supplied by the Fund or any brokers or other financial intermediaries engaged by the Fund in connection with making any of the aforementioned calculations, the Third Party Administrator's liability for the accuracy of such calculations would be limited to the accuracy of its computations. The Third-Party Administrator would not be liable for the accuracy of the underlying data provided to it. It is anticipated that any Administration Agreement may be terminated by either party thereto upon certain conditions, including upon dissolution of the Fund.

The Fund would indemnify the Third Party Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (other than those resulting from the fraud, willful misconduct or gross negligence on the part of the Administrator or any agent appointed by it) which may be imposed on, incurred by or asserted against the Third Party Administrator in performing its obligations or duties.

In the event that the Fund employs a Third-Party Administrator, the Fund would be obligated to pay an additional fee to such Third-Party Administrator (the "**Third Party Administration Fee**") on a monthly basis plus out-of-pocket expenses. The Third-Party Administration Fee is expected to be an annual percentage of the initial Capital Account balances of the Manager and Members, subject to a minimum. The effective rate of the Third-Party Administration Fee, particularly while the Fund is subject to a minimum, may depend on the total asset size of the Fund. Such fee may be significant, and at some asset levels may exceed the Management Fee.

Fund Capitalization. The Fund may commence business without receiving any prescribed minimum initial capital contribution. The Fund's fiscal year is the calendar year.

The Fund's books and records will be maintained at the office of the Manager or its designee.

The Fund may actively trade investments and have substantial portfolio turnover. In the event the Fund experiences high portfolio turnover, such portfolio turnover and brokerage commissions and custody expenses may exceed those of other investment entities of comparable size. In addition, high turnover, if any, may lead to realization of taxable gains for Investors.

OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT

A form of the Limited Liability Company Agreement is included as Appendix A to this Memorandum. It is recommended that each prospective purchaser read it in its entirety. The purpose of this section is to summarize certain provisions of the Limited Liability Company Agreement which have not been described elsewhere in this Memorandum, but it does not purport to be complete. All statements made below and elsewhere in this Memorandum relating to the Limited Liability Company Agreement are hereby qualified in their entirety by reference to the Limited Liability Company Agreement.

Term. The Fund's business shall commence upon the Inception Date and shall continue until dissolved in accordance with the Limited Liability Company Agreement.

Limited Liability of Members. No Member shall be personally liable for the debts of the Fund beyond the amount committed by such Member to the capital of the Fund. However, each Member, if the Member receives a distribution from the Fund, may be liable to the Fund for an amount equal to such distribution, if at the time of such distribution, the Member knew that the Fund was prohibited from making such distribution pursuant to Delaware law and under other circumstances described below.

Management. The management of the Fund is vested exclusively in the Manager. The Manager may delegate or assign any of its duties or authority in connection with the management of the Fund. Under Delaware partnership law, the Manager will have ultimate responsibility for all decisions regarding the acquisition, financing, operation, management and ultimate disposition of Fund investments and assets and the supervision and administration of Fund activities. Except as authorized by the Manager, the Members will have no part in the management of the Fund and will have no authority or right to act on behalf of the Fund in connection with any matter.

Amendments to Limited Liability Company Agreement. The Limited Liability Company Agreement may be modified or amended, at any time and from time to time, with the consent of (a) Members having in excess of fifty percent (50%) of the total Fund percentages of the Members and (b) the Manager, insofar as is consistent with the laws governing the Limited Liability Company Agreement; provided, however, that without the consent of the Members, the Manager may amend the Limited Liability Company Agreement (or the Schedule thereto) to, among other things (each of which is more fully described in the Limited Liability Company Agreement): (i) reflect changes validly made in the membership of the Fund and the Capital Contributions and Fund Percentages of the Members; and (ii) make a change that does not adversely affect the Members in any material respect; that is necessary or desirable to cure any ambiguity; or to correct or supplement any provision in the Limited Liability Company Agreement that would be inconsistent with any other provision in the Limited Liability Company Agreement. Each Member, however, must approve of any amendment which would (a) reduce its Capital Account or rights of contribution or withdrawal or (b) amend the provisions of the Limited Liability Company Agreement relating to amendments.

If the Manager requires the consent of Investors in order to take action, and written notice of such action is mailed to such Investors (certified mail, return receipt requested), those Investors not affirmatively objecting in writing within 30 days after such notice is mailed shall be deemed to have consented to the proposed action set forth in the Manager's notice.

No Member Voting Rights. Under the Limited Liability Company Agreement, Members will have no right to vote in Fund business affairs or remove the Manager. Members will have no voice in the appointment of the Manager's management.

Exculpation. In the absence of gross negligence, the Manager and its affiliates shall not be liable to any Member or the Fund for mistakes of judgment or for action or inaction which said person reasonably believed to be in the best interests of the Fund, or for losses due to such mistakes, action or inaction or to the negligence, dishonesty or bad faith of any employee, broker-dealer or other agent of the Fund, provided

that such employee, broker-dealer or agent was selected, engaged or retained by the Fund with reasonable care.

Indemnification. The Fund shall indemnify to the fullest extent permitted by applicable law, defend and hold the Manager and its affiliates, officers, directors, shareholders, agents, employees, advisors, counsel and consultants and, in the discretion of the Manager, the Fund's affiliates, officers, employees, agents, advisors, counsel and consultants (each an "**Indemnified Party**") harmless from and against any loss, liability, damage, cost or expense, including, but not limited to, attorneys' fees, fines, settlements and liabilities of the Indemnified Party, in defense of any demands, claims or lawsuits against the Indemnified Party, in or as a result of or relating to its or their capacity, actions or omissions as Manager or as an officer, director, shareholder, agent, employee, advisor, counsel or consultant, concerning the business or activities undertaken on behalf of the Fund, including, but not limited to, any demands, claims or lawsuits initiated by a Member or resulting from or relating to the offer and sale of the interests in the Fund, provided that the acts or omissions of the Indemnified Party are not found by a court of competent jurisdiction, upon entry of a judgment that has become final and that is no longer subject to appeal or review, to be primarily attributable to gross negligence, fraud or willful misconduct.

The Indemnified Party shall be entitled to receive advances to cover the costs of defending any claim or action against them; provided, however, that any such advances shall be repaid to the Fund if such Indemnified Party is found by a court of competent jurisdiction, upon entry of a judgment that has become final and that is no longer subject to appeal or review, to have been engaged in conduct primarily attributable to fraud, willful misconduct, or gross negligence. The Fund shall make all indemnification provided for pursuant to the Limited Liability Company Agreement solely out of Fund assets, and only to the extent of such assets. All rights of an Indemnified Party shall survive the dissolution of the Fund and the death, retirement, removal, dissolution, incompetency or insolvency of the Indemnified Party.

Thus, the Members may have a more limited right of action than would otherwise be the case absent such provisions. However, these provisions shall not limit, or be deemed to be a waiver of, the rights granted to all investors under the state and federal securities laws.

Dissolution. The dissolution of the Fund will take place upon the occurrence of the first of the following: (i) the dissolution, bankruptcy or withdrawal of the Manager, unless a majority in Interest of the Members elect to continue the business of the Fund and appoint one or more new managers within 90 days after such dissolution, bankruptcy or withdrawal; (ii) in the discretion of the Manager; or (iii) any other event causing the dissolution of the Fund under the laws of the State of Delaware. The manner for Members revoking the dissolution of the Fund under the foregoing item (i) supersedes any other manners for revoking the dissolution of the Fund under the laws of the State of Delaware and is the only manner by which the Limited Liability Company Agreement permits Members to revoke dissolution of the Fund notwithstanding any other permitted manners to revoke dissolution of the Fund under the laws of the State of Delaware.

Applicable Law. The Limited Liability Company Agreement will be construed and enforced in accordance with the laws of the State of Delaware.

Arbitration; Jurisdiction; Venue. Any action or proceeding against the Members relating in any way to the Limited Liability Company Agreement must be brought and enforced by arbitration, or in the Manager's option in the Chancery Court of the State of Delaware. The Members irrevocably waive, to the fullest extent permitted by law, any objection that they may have to the laying of venue of any such action or proceeding in the Chancery Court of the State of Delaware located in New Castle County.

Waiver of Jury Trial. THE MEMBERS WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER THE LIMITED LIABILITY COMPANY AGREEMENT OR ANY DOCUMENTS RELATED THERETO.

MANAGEMENT FEE; OTHER FEES AND EXPENSES

The Fund will pay in arrears to the Manager, on the last Business Day of each calendar month of the Fund, a fee ("**Management Fee**") equal to 0.2083% (2.5% annualized) of the closing Capital Account balances of the Members in the month to which the Management Fee relates. The Management Fee will be payable by the Fund generally as of the last day of each calendar month. The Manager may waive or modify, in whole or in part, its Management Fee for any account, including those of an affiliate or family member of the Manager or its principals.

The Management Fee generally is allocated in the same manner as Profits and Losses prior to the Incentive Allocation and is to be allocated among all Members in proportion to their Capital Account balances. The Manager may set aside a certain portion of the Fund's assets as cash in order to ensure sufficient funds to cover its Management Fees, whether accrued or anticipated. Alternatively, the Manager may, in its sole discretion, sell or assign, regardless of whether such selling or assignment would otherwise occur in the normal course of the Fund's business, a respective portion of the Fund's assets necessary to cover its Management Fees, whether accrued or anticipated. If the Fund does not have sufficient cash available or the Manager is unable to sell or assign a sufficient portion of the Fund's assets, then the Manager may, in its sole discretion, (1) receive an in-kind distribution of Fund assets, and/or (2) cause the Fund to borrow funds for the sole purpose of covering its Management Fees, whether accrued or anticipated.

The Fund, from its own assets, bears expenses, including, but not limited to, the following: investment and/or transaction related expenses; research services and products (including research services and products of the type more fully described under BROKERAGE COMMISSIONS); expenses for custodians; interest expenses; investment-related and/or business travel expenses; costs related to the custody of Digital Assets (including, but not limited to, third party wallet providers); costs incurred in attending seminars and conferences related to Digital Assets; expenses relating to short sales of Digital Assets; operational expenses, including, without limitation, fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations), facilitate and manage the purchase and sale of Digital Assets or otherwise manage the Fund or any trading subsidiary, portfolio management systems, risk management systems and order management systems; client services and marketing expenses (including entertainment and travel costs related to Fund marketing); attendance of Fund management at conferences; brokerage commissions; outside counsel; litigation expenses; fund administration; accounting; auditing and tax preparation expenses; any taxes, fees or other government charges levied against the fund; legal fees and costs in connection with the preparation and filing of Form PF (or similar forms); organizational expenses due at inception for the Fund; printing; mailing; costs of insurance for the Fund and the Manager and affiliates; expenses relating to the offer and sale of Member Interests; and any other expenses not expressly agreed to be paid by the Manager. Such expenses are shared in by all of the Members, including the Manager. Such expenses may be significant and potentially exceed the Management Fee. To the extent that services are provided or paid for by the Manager, the Fund will reimburse the Manager.

Unless the Manager determines in its sole discretion to not amortize, or immediately accelerate at any time any unamortized portion of, any legal or other organizational fees or expenses of the Fund, the Fund shall amortize such fees or expenses over five years (or such other time as determined in the sole discretion of the Manager), even though this approach may not be consistent with generally accepted accounting principles or other industry accepted accounting standards and may result in the Fund's audited financials being qualified. In the event the Fund terminates its operations before such organizational fees or expenses are fully amortized (if at all), amortization of the unamortized portion of such fees or expenses shall be accelerated and the unamortized portion will be debited against the Investors' Capital Accounts, thereby decreasing the amounts otherwise available for distribution to the Investors. Notwithstanding any other statement herein, if any unamortized legal or other organizational fees or expenses are accelerated at any time in the sole discretion of the Manager, whether as a result of the Fund terminating its operations

or otherwise, the Manager may disproportionately allocate such fees or expenses among the Investors based on variables determined relevant in the Manager's sole discretion, including, but not limited, the amount of time an Investor has been an Investor in the Fund.

The Manager may allocate among the Fund and other investment accounts under its management having the same or similar investment methodology as the Fund travel and other expenses incurred in connection with the investment activities of the Fund and such other investment accounts.

The Manager will make personnel and facilities available to the Fund (some of which may be compensated or reimbursed by the Fund for administrative assistance) and may hire providers of ongoing accounting, administration and reporting functions at Fund expense.

The Manager generally will pay, from its own assets, all of its own ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits, and rent; provided, however, that the Manager may: (1) use, in its sole discretion, any soft dollars generated by the Fund to pay such expenses; and (2) be compensated or reimbursed by the Fund for providing administrative assistance to the Fund.

ALLOCATION OF PROFITS AND LOSSES; INCENTIVE ALLOCATION

In general, each Member's capital contributions will be credited to a Capital Account established on the books of the Fund for each Member. Profits and Losses in any Accounting Period generally will be allocated in proportion to the respective Capital Accounts of the Members, with exceptions described below.

The profits or losses of the Fund for a given Accounting Period will be the net investment income, plus the realized and unrealized gain or loss on investments from the beginning to the end of the Accounting Period (after deduction of the Management Fee and other expenses accrued, or reimbursable to the Manager) ("**Profit(s) or Loss(es)**"). See "MANAGEMENT FEE; OTHER FEES AND EXPENSES" above. In calculating Profit or Loss, securities will be valued on a "marked-to-market" basis, with the result that the Profit or Loss for a particular Accounting Period will not necessarily reflect amounts which have been or will be realized or sustained. See "Limitations on the Deductibility of Losses and Expenses" below.

At the end of each monthly accounting period of the Fund, any Profit or Loss is allocated to all Members (including the Manager) in proportion to their respective opening Capital Accounts for such period. At the end of each calendar month of the Fund, for each Member, (with an adjustment made, if necessary, following any annual audit) the Manager will be allocated an amount equal to 25% of any Profit allocated to such Member's Capital Account in such calendar month in excess of net Losses which have been carried forward in prior months (the "Incentive Allocation"). The Incentive Allocation is paid after calculation of the Management Fee. The Manager may modify or waive, in whole or in part, the Incentive Allocation in its discretion, for any Investor, including its affiliates and their family members. The Manager has agreed to waive any Incentive Allocation related to amounts invested into SIC.

The Incentive Allocation will be calculated on a cumulative basis on amounts remaining invested. The Manager will not receive an Incentive Allocation for any calendar month in which the gross return is less than or equal to zero. Furthermore, if there is a loss carryforward in a prior calendar month, no Incentive Allocation will be paid with respect to any subsequent calendar month until the aggregate Profit in such subsequent calendar month is greater than the sum of such net Loss, for that and such preceding calendar month, and then, only to the extent that the Profit exceeds the loss carry forward (the "High Water Mark"). The High Water Mark seeks to achieve, but does not guarantee, that you will only incur an Incentive Allocation on cumulative Profits. In the event of withdrawals during any calendar month with respect to which there is a loss carryforward, the loss carryforward will be proportionately reduced.

The Manager may set aside a certain portion of the Fund's assets as cash in order to ensure sufficient funds to cover its Incentive Allocations, if any, whether accrued or anticipated. Alternatively, the Manager may, in its sole discretion, sell or assign, regardless of whether such selling or assignment would otherwise occur in the normal course of the Fund's business, a respective portion of the Fund's assets necessary to cover its Incentive Allocations, if any, whether accrued or anticipated. If the Fund does not have sufficient cash available or the Manager is unable to sell or assign a sufficient portion of the Fund's assets, then the Manager may, in its sole discretion, (1) receive an in-kind distribution of Fund assets, and/or (2) cause the Fund to borrow funds for the sole purpose of covering its Incentive Allocations, if any, whether accrued or anticipated.

In the event that the Fund is dissolved other than at the end of a calendar quarter, or the effective date of a Member's withdrawal is other than at the end of the calendar quarter, then the Profit or Loss shall be determined for the period from the beginning of the quarter through the dissolution or withdrawal date.

In the event that the Fund is dissolved other than at the end of a calendar month, or the effective date of a Member's withdrawal is other than at the end of the calendar month, then the Incentive Allocation shall be determined for the period from the beginning of the year through the dissolution or withdrawal date.

Distributions, if any, will be made at the discretion of the Manager. It is anticipated that the Manager will reinvest net investment income and net realized investment gains. If, in the sole discretion of the Manager, a distribution is made, it will generally be made in accordance with the positive balances of the Members' Capital Accounts as adjusted, provided that, notwithstanding any other statement herein or under the laws of Delaware, when distributing assets of the Fund, the Manager may, in its sole discretion, distribute any specific asset, whether divisible or not, of the Fund to one or more Members on a non pro rata basis. However, notwithstanding any other statement herein, the Manager may make distributions at any time to some or all Members as determined in its sole discretion (including based on estimated values with respect to Fund assets generally when it is not reasonable for the Fund to fairly determine the value of the Fund's assets). Distributions will be made in cash or in kind in the discretion of the Manager. The Manager does not intend to pay distributions in amounts sufficient to pay current taxes due on such Member's Interest in the Fund. The Manager may make distributions to itself from its Capital Account at any time. See "Withdrawals" for procedures respecting withdrawals of capital by Members.

VALUATION OF FUND ASSETS

The Fund's assets and liabilities are valued in accordance with the Manager's valuation policies and procedures, as the same may be amended from time to time (the "**Valuation Policy**"). All values assigned to such assets and liabilities are final and conclusive as to all of the Members.

The following valuation principles will be followed when valuing the Fund's assets and liabilities:

- (i) any Digital Asset that is listed on any Exchange(s) or similar electronic system and regularly traded thereon will be valued at the closing price on the Exchange(s) on the last Business Day of each month. "**Exchange(s)**" means as few as one and up to three exchanges determined by the Manager, in its sole discretion.
- (ii) any Digital Asset that is not listed on an exchange but for which external pricing sources may be available will be valued taking into consideration, among other factors, other external pricing sources, recent trading activity or other information that, in the opinion of the Manager may not have been reflected in pricing obtained from external sources;
- (iii) Digital Assets that are not listed on an exchange, are not traded on another market and for which external pricing sources are not readily available will be valued at fair value based on a relative value assessment process that incorporates current market conditions and prices of

other relevant Digital Assets where data are more readily available, adjusting for relative differences or information as the Manager deems relevant;

- (iv) where Digital Assets are not quoted in an active market, a valuation technique such as a valuation model or comparison to recent transaction prices may be employed to establish the transaction price that would be applicable in an arm's length exchange. Valuation techniques used are those commonly used by market participants to price similar instruments where applicable, and make use of market input, rather than the specific input of the Manager; and
- (v) any value denominated other than in U.S. dollars will be converted into U.S. dollars as of the close of business on the relevant date of determination.

The Manager may use methods of valuing Digital Assets other than those set forth herein if it believes the alternate method is preferable in determining the fair value of such Digital Assets. In particular, the Manager may take account of certain significant events, if, in the judgment of the Manager they have materially altered such valuation.

The accounts of the Fund are maintained in U.S. dollars. Assets and liabilities denominated in other currencies are translated at the rates of exchange in effect at the relevant date of determination and translation adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are translated at the rates of exchange in effect at the time of each transaction.

The foregoing valuation methods may be changed by the Manager if it determines in good faith that such change is advisable to better reflect market conditions or activities. See also "Valuation of Investments" under "CONFLICTS OF INTEREST".

WITHDRAWALS

Interests purchased, whether by newly accepted subscribers or existing Investors, may not be withdrawn, either in whole or in part, until one month after the "Purchases" of such Interests are made (the "Lock-Up Period"), unless otherwise permitted in the sole discretion of the Manager. For purposes of this paragraph, "Purchases" mean the initial or additional capital contributions of Investors. Each Purchase will be subject to its own lock-up. The Fund will use a First In First Out approach for determining the age of Purchases. Using a First In First Out approach for determining the age of Purchases means that the oldest Purchases are recorded as being withdrawn first.

Subject to the potential limitations discussed below, such Member may, upon written notice to the Manager not less than forty-five (45) days prior to the end of any calendar month from which the withdrawal is sought, or such other date as the Manager may determine (the "**Withdrawal Notice Date**"), withdraw all or any portion of such Interest in its Capital Account the following month, less reserves determined in good faith by the Manager and less the Member's share of any accrued, but unpaid, Management Fee and expenses. No withdrawal will be permitted if, immediately following such withdrawal, Benefit Plan Investors would hold 25% or more of the Interests in the Fund (or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines). The minimum withdrawal amount is \$5,000, subject to waiver in the Manager's discretion. Members will not be permitted to make a partial withdrawal if less than \$10,000 (or such lesser amount as such Member was permitted to initially invest) remains in such Member's Capital Account after a withdrawal. A Member who elects to withdraw all of his Capital Account will be deemed to have retired as of the effective date of such withdrawal. Permitted withdrawals will be effective immediately following the close of business of the last Business Day of the month, or as otherwise permitted by the Manager (the "**Withdrawal Date**"). A notice of withdrawal is irrevocable, except as provided in the sole discretion of the Manager. Withdrawal requests received after a Withdrawal Notice Date has passed will be deemed cancelled and must be resubmitted if the Investor continues to desire a withdrawal.

Neither the Fund nor the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile, email or original request. Facsimiles, emails or original requests sent to the Fund or Administrator shall only be effective when actually acknowledged and accepted as authorized by the Fund or Administrator. The Administrator will acknowledge receipt of any withdrawal request on behalf of the Fund. If an Investor has not received an email or other acknowledgment from the Administrator confirming the receipt of its withdrawal request within three Business Days of submitting the request, such Investor should assume the withdrawal request has not been received and should contact the Administrator to confirm the status of the request. No withdrawal will be processed, and no proceeds will be paid to the withdrawing Investor until the Administrator has received and accepted the withdrawal request signed by the Investor or an authorized signatory of the Investor.

Except as otherwise provided in the Limited Liability Company Agreement, payment of ninety-five percent (95%) of any withdrawal proceeds ordinarily will be effected within thirty (30) Business Days following the applicable Withdrawal Date in cash or in kind in the discretion of the Manager, with the balance generally to be paid within sixty (60) Business Days after finalization of the annual audit, subject to reserves and any necessary adjustments. No interest shall be paid for the period between the effective date of withdrawal and any date of payment. Valuation estimates, if any, may cause uncertainty in the withdrawal amount the Investor will receive.

Notwithstanding any other statement herein, the Manager may limit or prohibit withdrawals, notwithstanding whether or not valuation of the Fund's assets have been suspended, including under extraordinary or emergency circumstances or if, in its discretion, such withdrawals would not be in the best interests of the Fund or maximize the return available by having to sell an investment to satisfy such withdrawals; in addition to the foregoing reasons, in the Manager's sole discretion, the Fund may also refuse requests for withdrawals or delay withdrawals or payments if the Fund is not sufficiently liquid, which shall be determined in the sole discretion of the Manager. Any Member's withdrawal request that has been prohibited or refused pursuant to the foregoing, will be deemed cancelled and must be timely resubmitted, if the Member continues to desire a withdrawal, on a subsequently permitted Withdrawal Date; delayed withdrawal requests, and any withdrawal requests that have been resubmitted as a result of a cancellation, shall not be given priority on a subsequently permitted Withdrawal Date. In any of the foregoing circumstances, the Management Fee will still be applied to the Interests (including based on estimates of the Fund's assets and Capital Account values in the event that withdrawals and/or valuation of the Fund's assets are suspended).

The Fund may, but is not obligated to, hold un-invested cash, sell investments or borrow in order to honor withdrawals.

The Manager may, at its sole discretion, expressly waive any of the foregoing restrictions.

Withdrawal may be accomplished by a Member as follows:

1. Mail or deliver personally a letter of instruction indicating the dollar amount to be withdrawn, which, unless otherwise permitted in the Manager's sole discretion, will become effective immediately following the close of business of the last Business Day of the calendar month. Written notice to the Manager is required and must be received forty-five (45) days before the calendar month from which the withdrawal is sought, unless otherwise permitted in the sole discretion of the Manager.

2. Sign the letter in exactly the same way the Interests are registered and were subscribed for in the Subscription Agreement. If there is more than one owner, all must sign.

Mandatory Withdrawal. The Manager is authorized at its discretion to require any Member to withdraw from the Fund for any or no reason. Such Member's estimated Capital Account, computed as to the effective day of his withdrawal, subject to reserves and any necessary adjustments, shall be paid within 60 Business Days after finalization of the annual audit. No interest shall be paid for the period between the effective date of withdrawal and any date of payment.

The Manager may use its authority to mandatorily withdraw an Investor and to pay withdrawals in kind to form and distribute interests in special purpose or liquidating vehicles holding certain illiquid Fund assets (including, but not limited to, interests in the Other Funds and Managers or their underlying investments), which may have a similar impact to suspending withdrawals without actually doing so. Notwithstanding any other statement herein, the Manager may treat some Members differently (i.e. giving preferential terms and rights to one or more Members, as permitted in the sole discretion of the Manager) with respect to distributions and withdrawals at any time, including during times when withdrawals have been otherwise suspended with respect to the Fund as a whole.

Withdrawal, Death, Etc. of a Member. The withdrawal, death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of a Member shall not dissolve the Fund. The legal representatives of a Member shall succeed as assignee to the Member's interest in the Fund upon the death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member, but shall not be admitted as a substitute member without the consent of the Manager.

In the event of the death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of a Member, the interest of such Member shall continue at the risk of the Fund business until the last Business Day of the calendar year in which such event takes place, or the earlier dissolution of the Fund. If the Fund is continued after the expiration of such calendar year, such Member or its legal representatives shall be paid, within sixty (60) Business Days of the end of such calendar year, the estimated Capital Account of such Member (computed as of the end of such calendar year, on the basis of unaudited data and subject to adjustment and reserves). No interest shall be paid for the period between the effective date of the withdrawal and date of payment.

Limitations on Withdrawals. The right of any Member or its legal representatives to receive amounts withdrawn is subject to the provision by the Manager for all Fund liabilities in accordance with Delaware law and for reserves for estimated accrued expenses, liabilities and contingencies (even if such reserves are not in accordance with generally accepted accounting principles or such other industry accepted accounting standards).

BROKERAGE COMMISSIONS

The Manager will have complete discretion in deciding what brokers and dealers and exchanges it will use and in negotiating the rates of compensation the Fund will pay. In addition to using brokers as "agents" and paying commissions, the Fund may also buy or sell securities directly from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters or dealers.

CONFLICTS OF INTEREST

The Manager, the Fund and their affiliates may be subject to various conflicts of interest in their relationships with the Fund. The Manager, Fund and affiliates may also engage in other business activities, whether or not such activities are competitive with the Fund. The Manager and its affiliates may also trade on their own behalf in competition with the Fund but will allocate trades fairly with respect to the Fund. The Manager and its principals may invest alongside the Fund in the Fund's underlying investments, which may pose certain risks and/or conflicts of interest. The Manager and its affiliates may make investment decisions for other clients which are contrary to positions taken on behalf of the Fund.

The Manager and its affiliates may not devote all of their time to the management of the Fund and may continue to manage assets other than those of the Fund.

Transactions with Affiliated Accounts and Separate Account Conflicts. The Manager will act in a manner which it considers fair and reasonable in allocating investment opportunities among the Fund and all other

separate accounts, mutual funds or investment companies managed by the Manager or any affiliate for the account of any third party or itself. In determining a fair and reasonable allocation, the Manager may allocate any particular investment opportunity generally to other managed accounts prior to or without allocating any portion of such investment opportunity to the Fund.

Investment decisions for the Fund may be made independently from those of all other accounts. From time to time, the same security may be held in the Fund and also held in one or more other managed accounts. The Fund may purchase securities from or sell securities to other accounts managed by the Manager or its affiliates. The Fund may invest excess cash in other pooled accounts managed by the Manager, or its affiliates, some of which may pay fees to the Manager. Simultaneous transactions are inevitable when several accounts are managed by the same investment adviser. In such cases, the prices and amounts will be allocated in a manner considered by the Manager to be equitable to the Fund and each such managed account. In some cases, this could have a detrimental effect on the price or volume of the security as far as the Fund is concerned.

To the extent not prohibited by applicable law, the Manager shall be entitled to effect transactions for the Fund in which it or its affiliates has directly or indirectly a material interest (other than an interest arising solely from its participation in the transaction) or a relationship with another party which may involve a conflict with its duty to the Fund. Such transactions may include, among other things, the following: (a) Buying an investment from or selling an investment to the Fund when acting as a principal or as an agent for an affiliate or other client; (b) Acting in the same transaction as both an agent for the Fund and also as an agent for the counterparty; (c) Purchasing, holding or selling for the benefit of the Fund securities issued or guaranteed by companies in which the Manager or any of its affiliates, directors or employees, has an interest, through holding or dealing in its securities, serving as a director or otherwise; and (d) Purchasing, holding or selling for the benefit of the Fund securities issued by an affiliate or client of the Manager or any of its affiliates.

Other investors may invest with the Manager, via separately managed accounts. Managed accounts offer greater visibility and flexibility for larger investors in general by giving them direct ownership of underlying assets and the option to sell such assets if they want to get out quickly. However, investors in private investment funds (e.g. the Fund) could be disadvantaged if managed account holders with the Manager pull out of an asset before Fund investors are able to redeem from the Fund or the Manager is able to sell such assets of the Fund. Accordingly, a risk to investors of the Fund is that managed account investors of the Manager get an edge on Fund investors by having the ability to sell their positions whenever they want, independent of the Manager. If this occurs before the Manager sells the Fund's positions, then, among other things: (1) fewer liquid assets could see prices depressed; and (2) selling the Fund's positions could be harder. The foregoing separate account risks should also be deemed to apply to the advisers of Other Funds and Managers to the extent the Fund invests in Other Funds and Managers.

Conflicts Relating to Portfolio Transactions. The Fund's brokerage practices (see "BROKERAGE COMMISSIONS") pose conflicts of interest. While the Fund will generally seek reasonably competitive spreads or commissions, the Fund will not necessarily be paying the lowest spread or commission available. The Fund may pay a broker a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the Services provided by the broker. However, the receipt of Services from brokers is not expected to reduce significantly the expenses of the Fund.

The Manager may execute portfolio transactions for the Fund through brokers or similar entities in which the Manager or its affiliates have direct or indirect beneficial interests. Such arrangements pose conflicts of interest. The commissions or fees that the Fund pays to such affiliated brokers, if any, or similar entities may not have been negotiated in an arm's length transaction. The Manager may not have an incentive to seek lower fees from unaffiliated brokers or similar entities and such arrangements may result in an incentive for the Manager to overtrade the Fund to generate additional revenue for the Manager.

Conflicts Relating to SIC. The Fund may invest all or a portion of its assets in SIC. SIC is not an affiliate of the Fund or the Manager, but Larry Bryan, Glen Steward, and Bilal Adam have ownership interests in SIC and its management and advisors. Accordingly, this could be viewed as a conflict of interest. Investors in the Fund acknowledge and consent to this conflict.

Conflicts Relating to Diverse Members. The Fund may have tax-exempt, taxable, non-U.S. and U.S. Members; thus, potential conflicts exist with respect to various structuring, investment, and other decisions because of divergent tax, economic, or other interests, including conflicts among the interests of taxable and tax-exempt Investors, conflicts among the interests of U.S. and non-U.S. Investors, and conflicts between the interests of Investors and management. For these reasons among others, decisions may be more beneficial for one Member than for another, particularly with respect to Members' individual tax situations.

Valuation of Investments. There currently is no centralized source for pricing information for certain Digital Assets or assets in which the Fund may invest, and reliable pricing information may at times not be available from any source. For purposes of valuing such Digital Assets or assets, fair valuation decisions will be made by the Manager based upon such information, if any, as is available to it. Accordingly, certain valuations may be uncertain and based on estimates or cost. Because these valuation decisions affect the Management Fee, Capital Accounts, and withdrawal amounts, there may be a conflict in the Manager's role in valuing the Fund's assets and such valuation decisions may impact you negatively whether or not you redeem based on such valuations.

Allocation of Management Time and Services. The Fund and Manager will not have independent management or employees, and conflicts of interest may arise in allocating management time, services or functions among the Fund and other entities for which the Manager or its affiliates may provide services. Further, there is a risk that Fund information and opportunities may be shared with another affiliated party.

Member Conflicts. The Fund may enter into transactions with a Member or its affiliates (whether as a buyer, seller, lender, borrower, lessor, lessee, manager, broker, agent, trustee, provider of services, or otherwise). Neither the Fund nor any Member shall have, as a consequence of any such transaction or relationship, any rights in or to any income or profits derived from any such transaction or relationship. The Fund may offer such business opportunities and relationships to one but not all Members.

The Fund may invest in or do business with Members or companies owned by, affiliated with or otherwise associated with certain Members. Certain Members may provide services to the Fund or to the companies in which it invests. Such investments or business arrangements may cause the Manager to favor one Member over another or offer certain opportunities to some Members and not others. Such investments and business arrangements may provide Fund information to certain Members that is not available to other Members. These arrangements pose conflicts of interests for the Manager and may provide the Manager incentives to take actions designed to induce or retain investment by a Member.

Lack of Separate Representation. The Fund and the Manager may be represented by the same legal counsel and accountants. The Fund and the Manager may be represented by the same legal counsel and accountants. The Manager and the Fund will generally engage common legal counsel and other advisors in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Fund could be the investors in the Fund or a transaction and could also represent one or more underlying investments (or the persons representing such investments) or investors in the Fund. In the event of a significant dispute or divergence of interest between the Fund, the Manager and/or its affiliates, the parties will at times engage separate counsel in the sole discretion of the Manager and its affiliates, and in litigation and other circumstances separate representation will occasionally be required.

Service Provider Conflicts. The Manager and the Fund and the underlying investments of the Fund may at times engage common service providers (including accountants, administrators, lenders, bankers, brokers,

attorneys, consultants, and investment or commercial banking firms). Such advisors and services providers may be investors in the Fund, affiliates of the Manager and/or sources of investment opportunities and co-investors or counterparties therewith. In certain circumstances, the law firm or service provider may charge varying rates or engage in different arrangements for services provided to the Manager, the Fund, and/or the investments (or the persons representing such investments). This may result in the Manager receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Fund and/or the investment (or the persons representing such investment), or the Manager receiving a discount on services even though the Fund and/or the investment (or the person(s) representing such investment) receive a lesser, or no, discount. This creates a conflict of interest between the Manager, on the one hand, and the Fund and/or investments (or the persons representing such investments), on the other hand, in determining whether to engage such service providers, including the possibility that the Manager will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such services provider by the Fund and/or the investments (or the persons representing such investments).

Certain advisors and other services providers to the Fund or certain entities in which the Fund has an investment also provide goods or services to, or have business, personal, financial or other relationships with, the Manager, its affiliates and underlying investments (or the persons representing such investments). These relationships may influence the Manager or its affiliates in deciding whether to select or recommend such service providers to perform services for the Fund or an underlying investment. The Manager will generally select the Fund's service providers and will determine the compensation of such providers without review by or consent of the Investors. To the extent allowable under its governing documents, the Fund, regardless of the relationship to the Manager of the person performing the services, will bear the fees, costs and expenses related to such services. This may create an incentive for the Manager or its affiliates to select an affiliated service provider or to select service providers based on the potential benefit to the Manager to such affiliates rather than the Fund.

Certain advisors and other services providers, to the Fund, or certain entities in which our Fund has an investment also provide goods or services to, or have business, personal, financial or other relationships with, the Manager, our affiliates and portfolio companies. These relationships may influence the Manager or its affiliates in deciding whether to select or recommend such service providers to perform services for the Fund or a portfolio company. The Manager will generally select a Fund's service providers and will determine the compensation of such providers without review by or consent of the Fund's investors. To the extent allowable under its governing documents, the Fund, regardless of the relationship to the Manager of the person performing the services, will bear the fees, costs and expenses related to such services. This may create an incentive for the Manager or its affiliates to select an affiliated service provider or to select service providers based on the potential benefit to the Manager to such affiliates rather than the Fund.

We may charge accelerated or termination-of-monitoring or service fees.

From time to time, the Manager and its affiliates also engage and retain senior or special advisors, advisors, consultants, and other similar professionals who may be listed on the Manager's website or other collateral materials but are independent industry executives and not employees or affiliates of the Manager and who receive payments from the Fund and/or from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such fees or other compensation earned by such persons will be retained by them and will not be deemed to be earned by the Manager and its affiliates. Such amounts will not be subject to any offset or sharing arrangements and will not benefit the Fund or investors.

The Manager and its related persons, in certain instances, receive favorable procurement terms, including fees, servicing payments, rebates, discounts and other financial benefits on products and services provided by portfolio companies of the Fund/and or the customers or suppliers of such portfolio companies. Such discounts will not be subject to any offset arrangement. The Manager is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to offsets or otherwise shared with the relevant Fund.

Disclosure of Fund Information and Holdings. The Manager may disclose, to the extent permitted by law, in its sole discretion, any Fund information, including Fund holdings and specific strategies, to any person, including, but not limited to, Members and outside third parties. The Manager may disclose varying amounts and levels of information among such persons. Additionally, not all Members monitor their investments in pooled investment vehicles such as the Fund in the same manner. For example, certain Members may periodically request from the Manager information regarding the Fund and investments that is not otherwise set forth (or has yet to be set forth) in the reporting and other information that may be required to be delivered to all Members. In such circumstances, the Manager may provide such information to such Member, but just because it has provided such information upon request by one or more Members does not mean the Manager will be obligated to affirmatively provide such information to all Members. As a result, certain Members may have more information about the Fund than other Members, and the Manager will have no duty to ensure all Members seek, obtain or process the same information regarding the Fund and its investments.

The Manager will seek, but is not required, to limit the disclosure of Fund information to outside third parties for viable reasons. Irrespective of the reason, if any, for the disclosure of Fund information, such disclosure poses conflicts of interest, and in some cases you may be at a disadvantage and suffer losses if we grant outside parties access to such information, including, but not limited to, Fund holdings and specific strategies.

OFFERING AND SALE OF INTERESTS; SUBSCRIPTIONS

Offering of Interests. Interests are being offered to qualified Investors who are "accredited investors" as defined in Regulation D under the Securities Act and "qualified clients" under Rule 205-3 of the Advisers Act. There is no current minimum or maximum for total capital contributions.

The minimum investment is \$10,000. The minimum Additional Capital Contribution is \$5,000. The Manager may waive or increase the foregoing minimums in its sole discretion.

Investors may subscribe for Interests, and Members may make Additional Capital Contributions, monthly following the Inception Date or such other times as permitted in the sole discretion of the Manager. If accepted, Capital Contributions will be effective for investment on the first Business Day of each calendar month if received before the 15th of the prior calendar month, or as otherwise permitted in the sole discretion of the Manager. All investments in Interests must be made in immediately available funds in a form acceptable to the Manager, or, at the sole discretion of the Manager, other property. See the instructions set forth in the Subscription Agreement attached hereto as Appendix B. Subscribers will be required to sign the limited liability company agreement (the "**Limited Liability Company Agreement**") by signing the Subscription Agreement delivered with the Memorandum. Signature pages are included in the Subscription Agreement.

An Investor subject, directly or indirectly, to the restrictions of the Bank Holding Company Act of 1956, as amended ("BHCA") that owns more than 4.99% of the Interests of the Fund will be deemed to own only 4.99% of the Interests for whatever limited voting purposes are permitted to Investors under the Limited Liability Company Agreement. A Bank Holding Company Act Person (as defined in the BHCA) will have no other voting rights. The Fund will notify an Investor that is a Bank Holding Company Act Person if, for any reason, such Investor would own a twenty-five percent (25%) or greater interest in the Fund. In this case, a portion of the Investor's Interest will be mandatorily redeemed so that after giving effect to such redemption, such Member does not own more than 24.90% of the outstanding Interests.

The Manager reserves the right to reject any subscription in its entirety, for any reason whatsoever, or to allocate to any subscriber a lesser number of Interests, or fractions thereof, than it has offered to purchase, or to remove any Member in its sole discretion.

Regulation. The Manager intends that, by limiting the number of Investors to 100 or fewer beneficial owners and by disqualifying from the Fund certain potential Investors, the Fund will not be required to register under the Company Act or any similar state law.

Investment Restriction. The Interests have not been registered under the Securities Act and are being offered and sold pursuant to an exemption under section 4(a)(2) of the Securities Act and exemptions under applicable state laws. Such exemptions and the legality of each sale are conditioned upon, among other things, all Investors purchasing the Interests for investment purposes only and not with a view to resale or distribution. Each Investor will be required to continue to hold his Interests and to bear the economic risk of the investment in the Fund for an indefinite period, except as otherwise provided under the Limited Liability Company Agreement.

In addition, pursuant to the terms of the Limited Liability Company Agreement, the Interests may not be transferred or otherwise assigned except with the consent of the Manager and certain other restrictions. No substitution of Members will be permitted without the consent of the Manager.

Access to Information. Subject to policies described in this Memorandum and in the Limited Liability Company Agreement, prospective Investors and their accountants, purchaser representatives, legal and other advisors are invited to review any material made available by the Manager and make inquiries concerning matters relating to the Fund, the proposed operations of the Fund, the experience of the Manager and any other matter relating to the offering. Any such materials made available will be done so at the offices of the Manager.

Procedure to Subscribe. Each Investor who desires to purchase any Interests must:

1. Complete, date, and sign the Subscription Agreement, and deliver it to the Administrator Manager at the address set forth in the Directory.
2. Deliver the information specified in the Subscription Agreement to the Fund that the Manager determines is necessary to verify its status as an "accredited investor," or the Investor must agree in the Subscription Agreement to authorize a third-party to verify the investor's status as an "accredited investor."
3. Arrange to have good funds available in the Fund's bank account three Business Days before (i) the Inception Date or (ii) such other time as investments are permitted by the Manager in an amount equal to the Interests desired. The minimum initial contribution is \$10,000. The minimum additional contribution is subject to the discretion of the Manager. The foregoing minimums are subject to increase or waiver in the Manager's sole discretion.

Wire instructions are included in the Subscription Agreement.

All subscriptions are irrevocable. Generally, not more than 30 days after any Investor enters into a Subscription Agreement, the Manager will advise such Investor whether such Investor's subscription will be accepted. Prior to acceptance, which generally will occur on the first Business Day of the next month, provided the Manager receives sufficient notice of the subscription, or, in its sole discretion, waives the untimeliness of such submission, the Investor will have no rights as an Investor in the Fund and will receive no interest on its subscription.

Use of Proceeds. The Fund will invest the net proceeds of this Offering in accordance with this Memorandum as soon as practicable following each accepted subscription. Pending such investment, accepted funds in the Fund may, but are not required to, be invested in money market instruments, securities issued by registered investment companies and other marketable securities.

Fund assets will be maintained by the Fund in a custodial account with a bank or broker and will be used only for the purposes set forth herein.

Subject to suitability and eligibility requirements, Interests may be sold to corporations, trusts or other legal entities provided that after giving effect to such sale, the Fund would not be required to register as an investment company under the Company Act.

ANTI-MONEY LAUNDERING PROCEDURES

Measures aimed towards the prevention of money laundering and applicable "know your customer" legislation may require that an applicant verify his/her identity to the Fund.

In addition, the Fund may request further information and documents before processing the application. This may result in Interests being issued on a day subsequent to the day on which an applicant initially wished to have Interests issued.

It is further acknowledged that the Fund and its affiliates shall be held harmless and indemnified by the applicant against any loss arising as a result of a failure to process the Subscription Agreement if such documentation is required by the Fund and has not been provided by the applicant to the Manager's satisfaction.

The Fund will establish an Anti-Money Laundering Compliance Program (the "**Program**") as required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"). In order to ensure compliance with this law, the Fund's Program would provide for the development of internal practices, procedures and controls, designation of anti-money laundering compliance officers, an ongoing training program and an independent audit function to determine the effectiveness of the Program.

Procedures to implement the Program would include, but not be limited to, determining that any Fund vendor who processes purchases has established proper anti-money laundering procedures, reporting suspicious and/or fraudulent activity and a complete and thorough review of all new Subscription Agreements. The Fund will not transact business with any person or entity whose identity cannot be adequately verified under the applicable provisions of the USA PATRIOT Act.

ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under "Risk Factors."

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Government plans, as defined in Section 3(32) of ERISA, are not subject to Title I of ERISA or Section 4975 of the Code. However, state laws applicable to certain governmental plans have provisions that impose restrictions on the investments and management of the assets of such plans that are, in some cases, similar to those under ERISA and the Code discussed in this Memorandum. It is uncertain whether exemptions and interpretations under ERISA would be recognized by the respective state authorities in such cases. Also, some state laws prohibit, or impose percentage limitations on investments of a particular type, in obligations or securities of foreign governments or entities, or bar investments in particular countries or businesses operating in such countries. Fiduciaries of governmental plans, in consultation with their advisers, should consider the impact of their respective state pension laws and regulations on investments in the Fund, as well as the considerations discussed above to the extent applicable.

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101 (the "Plan Asset Regulation"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation in the entity by "benefit plan investors" (as defined below) is not "significant." If the assets of the Fund were deemed to constitute the assets of a Plan, the fiduciary making an investment in the Fund on behalf of an ERISA Plan could be deemed to have delegated its asset management responsibility, the assets of the Fund could be subject to ERISA's reporting and disclosure requirements, and transactions involving the assets of the Fund could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code unless a statutory or administrative exemption were applicable to the transaction.

Interests in the Fund will be considered to be an "equity interest" in the Fund for purposes of the Plan Asset Regulation. In addition, the Fund will not be registered under the Company Act and the Fund will not attempt to qualify as an "operating company" for purposes of the Plan Asset Regulation. Therefore, if equity participation in the Fund by Benefit Plan Investors, as defined below, is "significant" within the meaning of the Plan Asset Regulation, the assets of the Fund could be considered to be the assets of holders of Interests in the Fund that are Plans. In such circumstances, in addition to considering the applicability of ERISA to the Interests in the Fund, a Plan fiduciary considering an investment in the Fund should consider the applicability of ERISA to transactions involving the Fund and its assets, including whether such transactions might constitute a prohibited transaction under ERISA or Section 4975 of the Code or otherwise may result in a breach of fiduciary duty under ERISA.

Presently, under the Plan Asset Regulation, equity participation in an entity by Benefit Plan Investors, as defined below, is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more (or such other amounts that may be deemed "significant" pursuant to 29 C.F.R. 2510.3-101 or other relevant ERISA guidelines) of the value of any class of equity interests in the entity (the "**25% Limitation**") is held by Benefit Plan Investors. For purposes of this determination, the value of equity interests held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee (direct or indirect) with respect to such assets (or any affiliate of such person) is disregarded (such a person is referred to as a "controlling person").

The Manager intends to limit equity participation in the Fund by Benefit Plan Investors so as not to exceed the 25% Limitation. No purchase of an Interest in the Fund by or proposed transfer to a person that has represented that it is (i) any "employee benefit plan" (as defined in Section 3(3) of ERISA) (ii) any "plan" as defined in Section 4975 of the Code that is subject to Section 4975 of the Code or (iii) any entity whose underlying assets include Plan assets by reason of a Plan's investment in the entity (excluding government plans, non-U.S. plans, and non-electing church plans, such persons and entities described in clauses (i), (ii) and (iii) being referred to herein as "Benefit Plan Investors") or a controlling person will be permitted to the

extent that such purchase or transfer would result in persons that have represented that they are Benefit Plan Investors owning Interests in excess of the 25% Limitation immediately after such purchase or proposed transfer (determined in accordance with the Plan Asset Regulation). In addition, no withdrawal from the Fund will be permitted if, immediately following such withdrawal, Benefit Plan Investors would hold Interests in excess of the 25% Limitation. Interests in the Fund held as principal by the Manager or its affiliates and persons that have represented that they are controlling persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 25% Limitation. Furthermore, under no circumstance will Interests in the Fund held by government plans, non-U.S. plans, and non-electing church plans be counted toward the 25% Limitation or limited with respect to their equity participation in the Fund.

If the Fund has no corporate pension plans or plans covered by ERISA as Investors, but the Interests held by the non-ERISA plans (like IRAs or Keogh plans) exceed the 25% Limitation, then the Fund will be treated as holding plan assets with respect to such non-ERISA plans. Under the foregoing circumstances, the Manager will not be subject to any ERISA fiduciary duty rules, but the Manager will be a fiduciary of the non-ERISA plans with respect to the plan assets and will be subject to the prohibited transaction rules under Section 4975 of the Code.

Notwithstanding the preceding limits on the amount of equity participation in the Fund by Benefit Plan Investors, the Manager reserves the right to allow such equity participation by certain benefit plans (e.g. individual retirement accounts and Keogh plans) to exceed the 25% Limitation, provided that at such time, no equity participation in the Fund is owned by a person or plan subject to ERISA.

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold Interests in the Fund should determine whether, under the general fiduciary standards of investment prudence and diversification and under the documents and instruments governing the Plan, an investment in the Fund is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in the Fund should consult with its counsel to confirm that such investment will not result in a prohibited transaction and will satisfy the other requirements of ERISA and the Code. The decision of any Benefit Plan Investor subject to ERISA to invest in the Fund must be made by such Benefit Plan Investor's independent fiduciary, which must acknowledge in writing (in the Subscription Agreement) that it is not relying upon advice from the Manager regarding such Benefit Plan Investor's investment in the Fund. Neither the Manager nor anyone affiliated with the Manager is acting in the capacity of investment adviser to, or exercising any authority, control or responsibility with respect to, any Benefit Plan Investor subject to ERISA in presenting this Memorandum (and any information contained herein) and the decision of whether, to what extent, and for how long to invest in the Fund; any such decisions must be made by such Benefit Plan Investor's fiduciary, which must be independent of the Manager. The sale of any Interests in the Fund to a Benefit Plan Investor is in no respect a representation by the Manager that such an investment meets all relevant legal requirements with respect to investments by Benefit Plan Investors generally or any particular Benefit Plan Investor, or that such an investment is appropriate for Benefit Plan Investors generally or any particular Benefit Plan Investor.

There can be no assurance that there will not be circumstances in which transfers of Interests in the Fund will be required to be restricted in order to comply with the 25% Limitation. Moreover, there can be no assurance that, despite the restrictions relating to purchases by or proposed transfers to Benefit Plan Investors and controlling persons and the procedures to be employed by the Manager, Benefit Plan Investors will not exceed the 25% Limitation.

The fiduciary of a Plan that proposes to purchase and hold any Interests in the Fund also should consider whether such purchase and holding may involve the indirect extension of credit to a party in interest or a disqualified person with respect to the Plan or any other prohibited transaction between such Plan and such a party in interest or disqualified person. Depending on the identity of the Plan fiduciary making the decision to acquire or hold the Interests in the Fund on behalf of a Plan, Prohibited Transaction Class Exemption ("PTCE") 96-23 (relating to investments directed by an in-house asset manager),

PTCE 95-60 (relating to investments by an insurance company general account), PTCE 91-38 (relating to investments by a bank collective investment fund), PTCE 90-1 (relating to investments by an insurance company pooled separate account) or PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving Interests in the Fund.

Any Plan fiduciary that proposes to cause a Plan to purchase any Interests in the Fund should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA.

Any insurance company proposing to invest assets of its general account in the Fund should consider the extent to which such investment would be subject to the requirements of ERISA in light of the U.S. Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank and under any subsequent legislation or other guidance that has or may become available relating to that decision, including the retroactive and prospective exemptive relief granted by the Department of Labor for transactions involving insurance company general accounts in PTCE 95-60 and the enactment of Section 401(c) of ERISA and regulations thereunder.

Compensation-related disclosures in this Memorandum are intended to satisfy the "alternative reporting option" described by the Department of Labor with respect to Schedule C of Form 5500.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

IN VIEW OF THE COMPLEXITIES OF U.S. FEDERAL AND OTHER INCOME TAX LAWS APPLICABLE TO ENTITIES TAXED AS PARTNERSHIPS AND TO SECURITIES TRANSACTIONS, A PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH AND RELY SOLELY UPON THE INVESTOR'S TAX ADVISORS TO UNDERSTAND FULLY THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THAT INVESTOR OF SUCH AN INVESTMENT BASED ON THAT INVESTOR'S PARTICULAR FACTS AND CIRCUMSTANCES.

This summary generally outlines certain significant U.S. federal income tax principles that are likely to apply to the Fund and the Members, given the anticipated nature of the Fund's activities. The actual tax and financial consequences of the purchase and ownership of an interest in the Fund will vary depending upon the Member's circumstances. This discussion does not address the consequences of an investment in the Fund by anyone other than a United States person, as defined below.

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

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

Fund Status. The availability of a single level of tax depends on the classification of the Fund as a partnership rather than as an "association" taxable as a corporation for U.S. federal income tax purposes. The Fund expects to be treated as a partnership for U.S. federal income tax purposes. As a result, the

Members, and not the Fund, are taxed on any realized income or gain of the Fund (to the extent that the Members are subject to income tax). This tax liability exists even in the absence of cash distributions. Accordingly, a Member may have taxable income and tax liability arising from the investment in the Fund in a fiscal year when the Fund distributes no cash to that Member.

Publicly Traded Fund. Under Section 7704 of the Code, "publicly traded partnerships" ("**PTPs**") are generally treated as corporations for federal income tax purposes. A PTP is any partnership where the interests in which are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund will not be traded on an established securities market. The IRS has issued regulations (the "**PTP Regulations**") providing certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent thereof). The Fund will qualify under the private placement safe harbor set forth in the PTP Regulations if it does not have more than 100 partners. Moreover, even in the absence of the safe harbor, based on restrictions on transfer in the Limited Liability Company Agreement, the interests in the Fund are not expected to be considered readily tradable on a secondary market (or the substantial equivalent thereof) under other safe harbors or a general "facts and circumstances" test of the PTP Regulations.

Consequences of Treatment as an Association Taxable as a Corporation.

If, for any reason, the Fund were to be treated as an association taxable as a corporation (including if the Fund were to be treated as a publicly traded partnership as discussed above), it would be subject to U.S. federal income tax (at corporate tax rates) on its income, without any deduction for distributions made to its beneficial owners, thereby potentially reducing materially the amount of cash available for distribution. In addition, capital gains and losses and other income and deductions of the Fund would not be passed through to its beneficial owners, the owners would be treated as shareholders for U.S. federal income tax purposes and distributions to the owners (to the extent of current or accumulated earnings and profits) would be treated as a taxable dividend, resulting in taxable income for partners subject to U.S. tax (and withholding tax with respect to non-U.S. partners). Additionally, if the Fund were to be treated as an association taxable as a corporation, all distributions by the Fund would be treated for U.S. federal income tax purposes as dividends, return of capital or capital gain.

The remainder of this discussion assumes that the Fund will be treated in its entirety as a partnership for U.S. federal income tax purposes. Accordingly, the Fund itself will not be subject to U.S. federal income tax.

U.S. Members. The discussion in this section outlines certain significant U.S. federal income and other tax principles that are likely to apply to the Fund and to Members that are United States persons for U.S. federal income tax purposes (each, a "**U.S. Member**"), given the anticipated nature of the Fund's activities. Except where specifically addressing considerations applicable to tax exempt Members, the discussion assumes that each U.S. Member is a U.S. citizen or resident individual or a U.S. domestic corporation that is not tax-exempt. In some cases, the activities of a U.S. Member other than its investment in the Fund may affect the tax consequences to such Member of an investment in the Fund. This discussion does not deal with all tax considerations that may be relevant to specific Members in light of their particular circumstances, and does not address the tax consequences of persons investing in the Fund through a partnership or other pass-through entity for U.S. federal income tax purposes or the application of state, local or U.S. federal estate taxes to an investment in the Fund.

General. Each U.S. Member will be required to report on its U.S. federal income tax return, and thus to take into account, in determining its U.S. federal income tax liability, its share of the Fund's items of income, gain, loss, deduction and credit for the taxable year ending within or with such Member's taxable year, generally as if these items had been recognized directly by that Member. A U.S. Member will be taxable on its share of the income of the Fund without regard to whether the Fund makes a corresponding distribution of property to such Member. In addition, certain investments held by the Fund may give rise to income

subject to U.S. federal income tax even though there has been no corresponding receipt of money or property by the Fund. Accordingly, a U.S. Member's tax liability related to its interest in the Fund could exceed the amounts distributed to such Member in a particular year.

Allocations of Fund Income and Losses.

Under the Limited Liability Company Agreement, the Fund's net capital appreciation or net capital depreciation for each accounting period is allocated among the Members and to their capital accounts without regard to the amount of income or loss actually recognized by the Fund for Federal income tax purposes. The Limited Liability Company Agreement provides that items of income, deduction, gain, loss or credit actually recognized by the Fund for each fiscal year generally are to be allocated for income tax purposes among the Members pursuant to the principles of Regulations issued under Sections 704(b) and 704(c) of the Code, based upon amounts of the Fund's net capital appreciation or net capital depreciation allocated to each Member's Capital Account for the current and prior fiscal years.

Allocations of partnership income and losses are valid under applicable U.S. Treasury regulations if they meet the "substantial economic effect" test, or are made in accordance with a partner's interest in the partnership. The Manager believes that the Fund's method of allocating income and losses to the Members under the Limited Liability Company Agreement complies with these regulations. However, the U.S. Treasury regulations are complex and lack significant administrative and/or judicial interpretation. There can be no assurance that the regulations would not be interpreted by the U.S. Internal Revenue Service ("IRS") in a manner materially adverse to the Members. If the allocations provided in the Limited Liability Company Agreement are not accepted by the IRS, the amount of income or loss, if any, allocated to any Member for federal income tax purposes may be increased or reduced.

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

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

Cash Distributions. Cash received from the Fund by a U.S. Member as a distribution with respect to such Member's interest generally is not reportable as taxable income by the U.S. Member, except as described below. Rather, such distribution will reduce (but not below zero) the total tax basis of the interest held by the U.S. Member after the distribution. Any cash distribution in excess of a U.S. Member's adjusted tax

basis for its interest will be taxable to it as gain from the sale or exchange of such interest. Because a U.S. Member's tax basis in its interest is not increased on account of his distributive share of the Fund's income until the end of the Fund's taxable year, distributions during the taxable year could result in taxable gain to a U.S. Member even though no gain would result if the same distributions were made at the end of the taxable year. Furthermore, the share of the Fund's income allocable to a U.S. Member at the end of the Fund's taxable year would also be includible in the U.S. Member's taxable income and would increase its tax basis in his remaining interest as of the end of such taxable year.

Fund Distributions and Disposition Proceeds. A U.S. Member receiving a liquidating distribution of cash from the Fund (as well as marketable securities, unless a special exception provided for "investment partnerships" applies) will generally recognize capital gain or loss to the extent of the difference between the proceeds received by such Member and such Member's adjusted tax basis in its interest in the Fund (except to the extent that such gain or loss is characterized as ordinary under the rules set forth in Section 751 of the Code, which applies to the extent a partnership's assets include appreciated inventory, receivables and certain other "hot assets"). A U.S. Member receiving a non-liquidating distribution of cash (or marketable securities, subject to the exception noted above for investment partnerships) will recognize income in a similar manner but will not recognize loss. A U.S. Member receiving a liquidating or non-liquidating distribution of property other than cash or marketable securities will generally recognize neither gain nor loss (except to the extent otherwise required under Section 751 of the Code). Gain or loss on the sale or exchange of a U.S. Member's interest in the Fund will generally be taxable as capital gain or loss (except to the extent otherwise required under Section 751 of the Code). Certain cash or in-kind distributions made within certain timeframes of an Investor's Capital Contribution may cause gain recognition from a deemed sale or exchange. For example, a Member who receives an in-kind distribution of property other than cash may recognize gain if such Member contributed property (other than the property being distributed) to the Fund within seven years before the distribution. In addition, a Member who contributes cash to the Fund may recognize gain if such Member receives an in-kind distribution of property within seven years of the cash contribution. Certain disclosures may be required if such distributions occur within two years of contribution. Members should consult their own tax advisor regarding these disguised sale rules upon requesting distributions within the seven-year period.

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

In-Kind Investments and Diversification Rules. Members may contribute in-kind investments to the Fund; however, a taxable gain may be recognized if such in-kind investment results in "diversification" of the Investor's portfolio. Generally, a transfer of property (other than cash) may result in taxable gain if such transfer is made to an investment company and results in diversification. An investment company is any entity owning assets more than eighty percent (80%) of which consist of cash, readily marketable stock, foreign currency or other financial instruments. Diversification may occur if one or more Members transfer non-identical in-kind investments to the Fund. Such transfer may not result in diversification if the Investor or Members, transfer a portfolio of in-kind investments that is deemed diversified prior to the transfer, as defined by the Code and applicable regulations. Members should consult their own tax advisor regarding these diversification rules before making in-kind investments.

Limitations on the Deductibility of Losses and Expenses.

To the extent the Fund's assets are deemed to be securities, the Fund may recognize expenses, the deductibility of which may be limited based on whether the Fund is characterized as a "trader" or "investor." In general, traders engage in a "trade or business" of buying and selling securities for their own

accounts to take advantage of short-term price changes while investors buy securities for longer-term appreciation. Whether the Fund is a "trader" or an "investor" is not determined by a specific formula or set of objective criteria; it depends on an analysis of all the facts and circumstances involved in one's activities, taken as a whole. This characterization will affect, among other things, the extent to which Members may deduct certain items of Fund expense for federal income tax purposes. The Fund generally expects to hold many of its investments long enough to cause a portion of its realized gains to be long-term in character. However, the Fund may engage in significant short-term investment activities as well, which may involve significant turnover. As a result of the potential differences in the Fund's activities from year to year, it is not possible to predict accurately whether, in any given tax year, the Fund will be considered a "trader" or an "investor." In years in which the Fund is treated as a "trader," each Member should be allowed fully to deduct his or her allocable share of the ordinary and necessary expenses incurred by the Fund in connection with the Fund's "trade or business," including management expenses. If the Fund is treated as an "investor" for any year, it is anticipated that most or all of the Fund's investment expenses may be treated as "miscellaneous" itemized deductions, which are suspended for individuals for taxable years beginning before January 1, 2026.

In addition, various other provisions of the Code may apply to restrict the deductibility of capital and ordinary losses realized, or expenses incurred, by the Fund. For example, the ability of U.S. Members (other than widely held corporations) to deduct their shares of any losses attributable to the Fund may be subject to the "passive activity loss" limitations and the "at risk" limitations of the Code.

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

Syndication expenses that are attributable to the offering and sale of interests in the Fund must be capitalized and added to the U.S. Member's basis in its interest in the Fund (and, hence, cannot be deducted or amortized). Other organizational expenses of the Fund must generally also be capitalized but may be amortized over a 180-month period.

The current maximum tax rates for ordinary income for individuals and the maximum individual long-term capital gains tax may be increased in the coming years. The maximum individual tax rate may expire, in which case all dividends would be subject to regular ordinary income tax rates. In addition, individuals, estates and trusts will be subject to a Medicare tax of 3.8% on "net investment income" (or undistributed "net investment income", in the case of estates and trusts) for each such taxable year, with such tax applying to the lesser of such income or the excess of such person's adjusted gross income (with certain adjustments) over a specified amount. It is anticipated that net income and gain attributable to an investment in the Fund will be included in a Member's "net investment income" subject to this Medicare tax. It is impossible to predict how the changes in the tax regulations will affect the tax liability of individual Members, and Members should consult their own tax advisors regarding the possible implications of future tax legislation on their investments in the Fund.

Income Unavailable to Offset Passive Losses. The Code restricts the deductibility of losses from a "passive activity" against certain income that is not derived from a "passive activity." This restriction applies to individuals, personal service corporations, trusts and estates and certain closely held corporations. The Fund is not expected to be engaged in material activities to which the "passive activity loss" provisions of the Code would apply. As a result, a Member's share of any losses from the Fund is not expected to be subject to disallowance under the passive activity loss limitations. However, passive losses from other sources generally cannot be deducted against a Member's share of income and gain from the Fund. Accordingly, a Member that is subject to the passive activity loss provisions should not invest in the Fund

with the expectation of offsetting such Member's share of income and gain from the Fund against losses derived from passive activities.

Section 1256 Contracts.

The Fund may make investments in contracts which are deemed to be "Section 1256 Contract" under the Code. In the case of Section 1256 Contracts, the Code generally applies a "mark-to-market" system of taxing unrealized gains and losses on such contracts and otherwise provides for special rules of taxation. A Section 1256 Contract includes certain regulated futures contracts and certain other contracts. Under these rules, Section 1256 Contracts held by the Fund at the end of each taxable year of the Fund are treated for Federal income tax purposes as if they were sold by the Fund for their fair market value on the last business day of such taxable year. The net gain or loss, if any, resulting from such deemed sales (known as "marking to market"), together with any gain or loss resulting from actual sales of Section 1256 Contracts, must be taken into account by the Fund in computing its taxable income for such year. If a Section 1256 Contract held by the Fund at the end of a taxable year is sold in the following year, the amount of any gain or loss realized on such sale will be adjusted to reflect the gain or loss previously taken into account under the "mark-to-market" rules.

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

Section 988 Transactions. Certain of the trading activities of the Fund may be "Section 988 transactions." Section 988 transactions include entering into or acquiring any forward contract, futures contract, or similar instrument if the amount paid or received is denominated in terms of a nonfunctional currency or is determined by reference to the value of one or more nonfunctional currencies. In general, foreign currency gain or loss on Section 988 transactions is characterized as ordinary income or loss except that gain or loss on regulated futures contracts or non-equity options on foreign currencies which are Section 1256 contracts is characterized as capital gain or loss.

Special Considerations For Tax-Exempt Members.

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

Tax-Exempt Members may realize UBTI as a consequence of an investment in the Fund. Thus, the Fund may engage in transactions resulting in the recognition of UBTI, including as a result of income in exchange for the performance of services and gains viewed as reflecting trade or business activities, such

as the sale of inventory or property held for sale to customers in the ordinary course of business. In addition, while the Fund expects that a substantial portion of its income may consist of interest, and gains from the sale or exchange of capital assets, the exclusion from UBTI for these items will not apply to the extent that any Tax-Exempt Investor incurs "acquisition indebtedness" with respect to its investment in the Fund or the Fund incurs "acquisition indebtedness" with respect to their investments.

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

Additional U.S. Tax Considerations.

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

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

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

Reporting and Listing Requirements.

Any U.S. person within the meaning of the Code owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-U.S. corporation such as the Fund will likely be required to file an information return with the IRS containing certain disclosure concerning the filing limited partner, other limited partners and the corporation. The Fund has not committed to provide all of the information about the Fund or its shareholders needed to complete the return. In addition, a U.S. person within the meaning of the Code that transfers cash to a non-U.S. corporation will likely be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000.

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

Other Tax Considerations.

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

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

State and Local Taxation. In addition to the federal income tax consequences described above, prospective Members should consider potential state and local tax consequences of an investment in the Fund. No attempt is made herein to provide an in-depth discussion of such state or local tax consequences. State and local laws may differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Member's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining his income for state and local tax purposes in the jurisdictions in which he is a resident.

Each prospective Member must consult with, and rely solely upon, his own tax advisors regarding such state and local tax consequences.

Taxation of Virtual Currencies. Pursuant to IRS Notice 2014-21, the IRS declared virtual currencies to be treated as property and not currencies. Further, virtual currencies can be held as capital assets. To the extent virtual currencies are treated as property, general tax principles applicable to property transactions apply to transactions using virtual currency. For example, an exchange by the Fund of one form of cryptocurrency for another form of cryptocurrency generally would be treated as a taxable

disposition of the first cryptocurrency. Outside of IRS Notice 2014-21, which clarified certain principles of taxation as they related to cryptocurrencies, there is little statutory, judicial or administrative authority directly addressing the characterization of an investment in cryptocurrencies. Virtual currency tax legislation is subject to change and review.

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

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

THE ADVICE WAS PREPARED TO SUPPORT THE PROMOTION OR MARKETING OF TRANSACTIONS OR MATTERS ADDRESSED BY THE WRITTEN ADVICE; AND ANY PERSON REVIEWING THIS DISCUSSION SHOULD SEEK ADVICE BASED ON SUCH PERSON'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

REPORTS TO MEMBERS

Audited financial statements will be prepared annually and generally furnished to Members within 120 days following the close of the Fund's calendar year, which ends on December 31, or as soon as reasonably practicable thereafter. A statement of each Member's Capital Account activity will be compiled and sent on a monthly basis. The Fund will provide annual unaudited reports to Members. Consistent with GAAP, the Manager will provide to Members the Fund's portfolio holdings for any investments equaling over 5% of the Fund's net assets, except as otherwise required in the Limited Liability Company Agreement. However, the Manager may disclose in its sole discretion, any Fund information, including Fund holdings, to any person, including, but not limited to, Members and outside parties. The Manager may disclose varying amounts and levels of information among such persons. Members agree to keep confidential and not disclose or trade on (other than acquiring or redeeming Interests) any information received from the Fund, including, but not limited to, Fund holdings.

Except as described elsewhere in this Memorandum, financial information contained in all reports to the Members will be prepared on an accrual basis of accounting in accordance with United States generally accepted accounting principles or such other industry accepted accounting standards chosen by the Manager unless otherwise indicated and will include, where applicable, a reconciliation of information furnished to the Members for income tax purposes. Federal tax information will be provided to the Members as soon as practicable after the end of each calendar year in accordance with federal reporting requirements.

INDEPENDENT PUBLIC ACCOUNTANTS

The Manager will hire independent auditors for the Fund. The Fund currently intends, but is not required, to use Cohn Reznick, LLP as its independent auditors. Such accountants will provide audit services and assistance and consultation in connection with review of filings which may be required by any governmental agencies. The Fund's engagement letter with its auditor may contain an arbitration clause and waiver of punitive damages which may limit the Fund's recourse against its auditor.

INDEPENDENT CLIENT REPRESENTATIVE

The Manager has the authority to appoint a person (the "**Independent Client Representative**") unaffiliated with the Manager or any of its affiliates to act as the agent of the Fund to give or withhold any consent of the Fund required under applicable law to a transaction in which the Manager causes the Fund to purchase securities or other instruments from, or sell securities or other instruments to, the Manager or its affiliates or to engage in brokerage transactions in which any of the Manager's affiliates acts as broker for another person on the side of the transaction opposite that of the Fund. If appointed, the Independent Client Representative may be paid by the Fund and will receive an indemnity from the Fund for claims arising out of activity in such capacity. This paragraph is included for compliance with applicable law, including, but not limited to, Section 206 of the Advisers Act.

LEGAL MATTERS

DLA Piper LLP (US) acts as counsel to the Fund and the Manager. DLA Piper LLP (US) does not represent the Members as investors in the Fund. DLA Piper LLP (US)'s representation of the Fund, the Manager and their respective affiliates (if any) has been limited to specific matters as to which it is consulted by the Fund, the Manager and their respective affiliates (if any) and, therefore, there may exist other matters, facts or circumstances which could have a bearing on the Fund, the Manager, their respective affiliates (if any), or the Fund's financial condition or operations with respect to which DLA Piper LLP (US) has not been consulted and for which DLA Piper LLP (US) expressly disclaims responsibility. DLA Piper LLP (US) has assumed no obligation to update this Memorandum. No Investor shall assume that DLA Piper LLP (US) has undertaken an evaluation of the merits of an investment in the Fund. In connection with this private offering of Interests and subsequent advice to the Fund, DLA Piper LLP (US) will not be representing investors in the Fund; no independent counsel has been retained to represent Investors. In addition, DLA Piper LLP (US) does not undertake to monitor the compliance of the Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth in the Memorandum, nor does it monitor compliance with applicable laws. In preparing this Memorandum, DLA Piper LLP (US) relies upon information furnished to it by the Fund and/or Manager, and does not investigate or verify the accuracy and completeness of information set forth therein concerning the Fund, Manager and their affiliates and personnel.

Under Delaware law, each Member has the right, subject to such reasonable standards as may be established by the Manager and the limits described above and in the Limited Liability Company Agreement, to obtain from the Manager from time to time upon reasonable demand information for any purpose reasonably related to the Member's interest as a Member. However, the Fund has the right to keep confidential from Members any information which the Manager believes to be in the nature of a trade secret. Additionally, the Manager, in its sole discretion, may withhold and keep confidential the names of the Members investing in the Fund.

STEWARDS ARBITRAGE FUND, LLC

Appendix A: Limited Liability Company AgreementA-1
Appendix B: Subscription AgreementB-1