

**DAS - Diversified Crypto Exposure Ltd.**

A British Virgin Islands International Company Limited by Shares

Offering of Shares

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**OFFERING MEMORANDUM**

August 2025

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No person has been authorised in connection with this offering to give any information or make any representations other than as contained in this Offering Memorandum.

The securities offered hereby have not been filed with or approved or disapproved by any regulatory authority of any country or other jurisdiction, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is unlawful.

## NOTICES

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

Neither DAS - Diversified Crypto Exposure Ltd. (**Fund**) nor the Shares of the Fund described in this Offering Memorandum (**Memorandum**) have been or will be registered or qualified under the securities laws of the United States (**US**) or any other jurisdiction.

This Memorandum shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of Shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of every person wishing to make a subscription in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction. The direct or indirect ownership of Shares by "Restricted Persons" as defined in this Memorandum is prohibited except in accordance herewith.

No person has been authorised to make any representations concerning the Fund or the Shares that are inconsistent with those contained in this Memorandum, and accordingly any such representations should be treated as unauthorised and may not be relied upon by the party to whom such representations are made.

Prospective investors should not construe the contents of this Memorandum as legal, tax or financial advice. All prospective investors should consult their own professional advisers as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Shares for such investor.

The purchase of Shares is speculative and involves a high degree of risk. There is no assurance that the Fund will be profitable. See the section entitled "Certain Risk Factors" within this Memorandum for a description of certain risks involved in the purchase of Shares.

This Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the Shares, and it is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this Memorandum from the Fund).

The Fund has been recognised as an approved fund by the British Virgin Islands Financial Services Commission (**Commission**) pursuant to the British Virgin Islands Securities and Investment Business Act 2010, the Mutual Funds Regulations, 2010 and the Securities and Investment Business (Incubator and Approved Funds) Regulations, 2015 together **SIBA**. Such recognition was effected by filing with the Commission an application in prescribed form, a copy of this Memorandum and the Constitutional Documents of the Fund and by paying the prescribed application and annual recognition fees. Such recognition does not imply that the Commission or any governmental authority in the British Virgin Islands has passed upon or approved this Memorandum or the offering of Shares hereunder nor is it intended that they will.

The Fund is prohibited from making any invitation to the public of the British Virgin Islands to subscribe for the Shares.

As the Fund's net asset value will be calculated in US dollars, each holder of Shares (**Shareholders**), and not the Fund, will bear the risk of any foreign currency exposure resulting from differences, if any, in the value of the US dollar relative to the currency in which such Shareholder maintains its net worth.

To the best of the knowledge and belief of the directors, which has taken all reasonable care in reviewing this Memorandum, the information contained in this Memorandum is accurate and does not omit anything likely to affect the import of such information. Neither the delivery of this Memorandum nor

the issue of Shares of the Fund shall be taken to imply that any information herein is correct as of any date subsequent to the date hereof.

Unless otherwise noted, all monetary amounts set forth in this Memorandum herein are expressed in US dollars.

## SECURITIES AND INVESTMENT BUSINESS ACT DISCLOSURE

### INVESTOR WARNING

#### Establishment as an approved fund

The Fund has been incorporated and established in the British Virgin Islands (**BVI**) as an approved fund within the meaning of SIBA and in this regard, (i) the total number of investors in the Fund is limited to a maximum of 20; and (ii) the Fund can only have investments not exceeding USD\$100,000,000 in net assets or its equivalence in any other currency.

The Fund is not subject to supervision by the British Virgin Islands Financial Services Commission (**Commission**) or by a regulator outside the BVI and requirements considered necessary for the protection of investors that apply to BVI public funds do not apply to BVI approved funds.

An investor in an approved fund is solely responsible for determining whether the Fund is suitable for his or her investment needs.

By reason of the foregoing, investment in the Fund may present a greater risk to an investor than investment in a BVI public fund or other fund product.

Recognition under SIBA should not be taken to imply that the Fund has been approved by any regulatory authority in any country or jurisdiction other than the BVI. The Fund is not subject to supervision of the Commission or by a regulator outside the BVI and the requirements considered necessary for the protection of investments that apply to public funds (as defined under SIBA, a "Public Fund") do not apply to approved funds.

The Commission is authorised by SIBA to direct the Fund to furnish information or provide access to any records, books or other documents which it deems necessary to ascertain compliance with SIBA or any regulation made under SIBA. SIBA provides that any information, material or document furnished to or filed with the Commission is privileged from disclosure, except by order of a court of competent jurisdiction in criminal proceedings and in certain other cases.

SIBA provides that the Fund's Certificate of Recognition may be cancelled or made subject to conditions if, *inter alia*, the Fund has breached SIBA or any subsidiary legislation or conditions of its certificate, has been convicted of an offence, is carrying on business in a manner detrimental to its investors or to the public interest, or is declared bankrupt or is being wound-up or dissolved.

It is intended that any potential investors in the Fund participate on the basis that they can afford to lose all, or a substantial portion of, their investment in the Fund. An investor in an approved fund is solely responsible for determining whether an investment in an approved fund is suitable for his investment needs, and for this reason, investment in an approved fund may present a greater risk to an investor than investment in a Public Fund.

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## **DAS - DIVERSIFIED CRYPTO EXPOSURE LTD.**

### **DEFINITIONS**

In this Offering Memorandum, in addition to words and phrases specifically defined elsewhere in this Offering Memorandum, the following words and phrases have the meanings set forth below:

<b>Approved Funds Regulations</b>	the Securities and Investment Business (Incubator and Approved Funds) Regulations, 2015 of the laws of the BVI as amended from time to time;
<b>Business Day</b>	means any day on which bank in the British Virgin Islands are authorised to open for normal banking business and/or such other day or days as the directors may determine, either generally or in any particular case
<b>Class</b>	any class of Shares created and designated by the Directors pursuant to the Memorandum of Association and Articles of Association;
<b>Participating Shares</b>	Shares of the Fund currently being offered for subscription, details of which are contained in this Offering Memorandum;
<b>Directors</b>	the directors of the Fund from time to time;
<b>Fund</b>	DAS - Diversified Crypto Exposure Ltd.
<b>Initial Offer Period</b>	30 calendar day immediately following the date the Fund is recognized as an Approved Fund or such later date as the Directors may determine.
<b>Management Shares</b>	the voting, non-participating, non-redeemable shares of the Fund of no-par value each;
<b>Mutual Funds Regulations</b>	the Mutual Funds Regulations 2010 of the laws of the BVI as amended from time to time;
<b>Net Asset Value</b>	means the value of the assets less the liabilities of the Fund calculated in accordance with the Articles and this Offering Memorandum.
<b>Redemption Day</b>	any day on which Shares may be redeemed, being generally, the first Day and fourteenth Day of each calendar month and such other day or days as the Directors may determine from time to time;
<b>Redemption Price</b>	the price per Share equal to the Net Asset Value per Share of the relevant Series as at the Valuation Day immediately preceding the relevant Redemption Day;
<b>Redemption Request</b>	a written request for a redemption of Shares;
<b>Redemption Fee</b>	a fee of 1% is payable on an ad-hoc redemption requested as approved at the discretion of the Directors.

<b>Series</b>	a series of Shares within any Class created and designated by the Directors pursuant to the Articles, to assist with the calculation of the any fees or for any other reason.
<b>Shareholder</b>	means a person who is registered on the register of members of the Fund as the holder of a Participating Share.
<b>SIBA</b>	the Securities and Investment Business Act 2010 of the laws of the BVI as amended from time to time and includes the Mutual Funds Regulations, 2010 and the Securities and Investment Business (Incubator and Approved Funds) Regulations, 2015 and any other regulations made under SIBA
<b>Subscription Day</b>	any day on which Shares may be redeemed, being generally, the first Day and fourteenth Day of each calendar month and such other day or days as the Directors may determine from time to time;
<b>US dollars, US\$ and cent</b>	means the currency of the United States of America.
<b>Valuation Day</b>	With respect to each Participating Share, the last day and the fourteenth day of each calendar month, and/or such other day or days as may be specified by the Directors from time to time either generally or in any particular case.

## SUMMARY

The information set out below should be read in conjunction with, and is qualified in its entirety by, the full text of this Offering Memorandum (**Memorandum**), the Memorandum of Association and Articles of Association (**M&As**) of Teroxx Investment Fund Limited and the documents and agreements referred to herein, copies of which are available from the Administrator (as defined herein) upon request.

<b>The Fund</b>	DAS - Diversified Crypto Exposure Ltd. ( <b>Fund</b> ) is a company limited by shares that was formed under the BVI Business Companies Act, 2004, as amended from time to time.
<b>The Shares</b>	The Fund is offering classes of shares in the Fund ( <b>Shares</b> ).
<b>The Offering</b>	<p>Participating Shares will be issued during the Initial Offering Period at the Initial Offering Price of US\$5,000 per share.</p> <p>Following the end of the Initial Offering Period, shares may be purchased on each Subscription Day at a fixed price of US\$5,000 per share.</p>
<b>Investment Objective</b>	The Fund seeks engagement and exposure to the broader digital asset universe. To achieve this, it will invest exclusively in DAS Diversified Crypto Exposure, an Actively Managed Certificate providing systematic, rule-based access to a diversified digital asset portfolio.
<b>Leverage</b>	The Fund does not employ leverage.
<b>Investment Advisor</b>	Digital Asset Solutions AG, of Gotthardstrasse 26, 6300 Zug, Switzerland has been appointed by the Fund to advise on the Fund's investments.
<b>Subscriptions</b>	<p>Participating Shares will be available for issue during the Initial Offer Period at the Initial Offering Price and thereafter on any Subscription Day at the Subscription Price then prevailing subject to a 5 (five) calendar Days' notice period, such notice may be waived by the Directors at their sole discretion.</p> <p>Applications received after such time or on a day, which is not, a Subscription Day will be dealt with on the next following Subscription Day. The Subscription Price for subsequent subscriptions, after the Initial Offer Period, will be US\$5,000 per Participating Share. A new series of Participating Shares will be issued on each Subscription Day.</p>
<b>Redemptions</b>	<p>Shareholders will have the right to require all or a portion of their Participating Shares to be redeemed on a Redemption Day at the Redemption Price then prevailing. Redemption Notice must be submitted 5 (five) calendar days prior to the Redemption Day. Such notice may be waived by the Directors at their sole discretion.</p> <p>The Fund may accept ad-hoc Redemption Request which are subject to a notice period of 5 (five) Business Days' notice and a Redemption Fee of 1% at the discretion of the Directors.</p> <p>The Redemption Price will be based on the Net Asset Value per Participating Share calculated on the Valuation Day on the relevant Redemption Day.</p>

<b>Dividend Policy</b>	It is the present intention of the Directors not to declare or pay dividends, and income earned by the Fund will be reinvested and reflected in the value of its Participating Shares.
<b>Compulsory Redemption</b>	The Fund may, by giving the same notice as disclosed to the Shareholder at the time of subscription notice to a Shareholder, on any day designated by the Directors, compel redemption of all or some of the Shares held by such Shareholder at any time when the Directors deem it necessary in the best interest of the Fund.
<b>Risk Factors</b>	Investment in the Fund involves significant risks. Investors' attention is drawn to the risk outlined in the section headed "Certain Risk Factors".
<b>Reporting</b>	Shareholders will receive from the Fund annual unaudited financial statements within a reasonable time after the Fund's financial year-end. In addition, Shareholders will receive from the Administrator periodic reports relating to the Fund's performance.
<b>Financial Year</b>	The Fund's financial year-end is 31 December.
<b>Functional Currency</b>	The Fund's functional currency, i.e., the currency in which it maintains its books and records and its financial statements and the currency in which the Subscription Price, Redemption Price and Net Asset Value per Share of such Class will be calculated is the US Dollar.

## DIRECTORY

<b>Fund's Registered Office:</b>	3076 Sir Francis Drake's Highway, P.O. Box 3463 Road Town, Tortola British Virgin Islands
<b>Directors</b>	Jenifer Panganiban Serco Management Limited
<b>Investment Advisor:</b>	Digital Asset Solutions AG Gotthardstrasse 26, 6300 Zug Switzerland
<b>Administrator:</b>	ATU Fund Administrators (BVI) Limited 3076 Sir Francis Drake's Highway, P.O. Box 3463, Road Town, Tortola, British Virgin Islands
<b>Authorized Representative:</b>	ATU Authorized Representative (BVI) Limited 3076 Sir Francis Drake's Highway, P.O. Box 3463, Road Town, Tortola, British Virgin Islands
<b>Banker and Custodian:</b>	Equity Bank Bahamas Limited Equity Trust House West Bay Street P.O. Box N-10697 Nassau Bahamas
<b>Legal Advisors:</b>	<b>In the British Virgin Islands:</b> ATU Legal (BVI) Limited 3076 Sir Francis Drake's Highway, P.O. Box 3463, Road Town, Tortola, British Virgin Islands

## **DAS - DIVERSIFIED CRYPTO EXPOSURE LTD.**

### **GENERALLY**

DAS - Diversified Crypto Exposure Ltd. (**Fund**) was formed in the British Virgin Islands on 24 June 2025 as a BVI Business Company under the BVI Business Companies Act, 2004 as amended from time to time (the **BCA**). The Fund was incorporated with a limited liability under the BCA and empowered under its Memorandum and Articles of Association and the laws of the British Virgin Islands to issue and redeem its own Participating Shares and to carry on investment activities. The Fund was recognised as an Approved Fund by the Commission on 22 August 2025.

The Fund is managed by its board of Directors and the Directors will review activities of the Administrator and the Investment Advisor and decide upon matters of general policy. Subject to the overall supervision of the Directors, the Administrator shall conduct and supervise the administration of the Fund. The Fund's investment activities will be managed by the Investment Advisor

## INVESTMENT POLICY

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund follows a rule-based, long-only investment strategy by allocating capital to “DAS Diversified Crypto Exposure” — an Actively Managed Certificate (AMC) designed to provide broad-based exposure to the digital asset market. This AMC employs a systematic methodology to allocate investments across a diversified basket of digital assets, weighted by market capitalization. Through this structure, the Fund enables efficient and transparent participation in the digital asset ecosystem while adhering to strict risk estimate objective and periodic rebalancing protocols.

The Fund seeks engagement and exposure to the broader digital asset universe. To achieve this, it will invest exclusively in DAS Diversified Crypto Exposure, an Actively Managed Certificate providing systematic, rule-based access to a diversified digital asset portfolio.

**There can be no assurance that the Fund will achieve its investment objective. The Fund’s investment policies and strategies are speculative and entail significant risk. See “Certain Risk Factors.”**

The foregoing description is general and is not intended to be exhaustive. Investors must recognise that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality and subjectivity of such processes. In addition, the description of virtually every strategy must be qualified by the fact that investment approaches are continually changing, as are the markets invested in by the Fund. Finally, the Fund may pursue additional strategies, in its sole discretion, in its pursuit of the Fund's investment objective.

### DISTRIBUTIONS AND REINVESTMENT

The Fund does not expect to make any distributions to Shareholders out of the Fund's current earnings and profits. Rather, the Fund will reinvest such income. Potential investors should keep this limitation in mind when determining whether or not an investment in the Fund is suitable for their particular purposes. The Fund reserves the right to change such policy.

### PLAN OF DISTRIBUTION AND USE OF PROCEEDS; CASH EQUIVALENTS

The net proceeds of the offering contemplated herein will be invested in accordance with the policies set forth under “Investment Policy”. The Fund, without limitation, may hold cash or invest in cash equivalents for short-term investments. In the event the Investment Advisor determines that there is not sufficiently good value in any securities suitable for investment of the Fund's capital, all such capital may be held in cash and cash equivalents.

In making investment decisions, the Fund will rely on the advice of the Investment Advisor rather than any specific objective criteria.

## **MANAGEMENT AND ADMINISTRATION**

### **THE DIRECTORS**

The Directors are responsible for the overall investment policies of the Fund although the day to day administration of the Fund will be delegated to the Administrator and the Investment Advisor.

The Directors of the Fund are Jenifer Panganiban and Serco Management Limited.

#### **Jenifer Panganiban**

Jenifer Panganiban is a Filipino Certified Public Accountant and a member of the International Compliance Association with a Diploma in Anti Money-Laundering. She has been working in the British Virgin Islands (BVI) since 2014 and has considerable experience in the financial services industry specializing in Compliance, Financial Audit, Fund Administration, and Client Accounting. The extensive experience in the BVI's financial sector has been her motivating factor to continue her professional education in pursuing the Diploma in International Trust Management.

In addition to her standard duties as director, Ms. Panganiban shall, in particular, act as a contact person in the BVI for all matters related to the Fund.

### **SERCO MANAGEMENT LIMITED**

Serco Management Limited (SML) is a business company incorporated in the British Virgin Islands on 29 March 1996 and provides professional directorship services to a select clientele. SML is a subsidiary of ATU General Trust (BVI) Limited, a British Virgin Islands trust company holding a class one license.

The managers of SML are all qualified professionals with an average of more than ten years' experience in the fields of company management, accounting, trustee services, legal and international banking.

Expenses of each member of the Board in connection with services provided to the Fund will be paid by the Fund on an actual/cost basis.

SML has entered into a director services agreement (the Director Services Agreement) with the Fund. The Director Services Agreement provides that in the absence of actual fraud, dishonesty, recklessness or willful default by SML, SML shall not be liable to the Fund in respect of anything done, declined or omitted to be done by SML and in the absence of actual fraud, dishonesty, recklessness or willful default by SML, the Fund shall not directly or indirectly initiate or participate in any actions or proceedings against SML in respect of anything done, declined or omitted to be done by SML.

Under the terms of the Director Services Agreement, in addition to the indemnity provisions set out in the Articles, the Fund will indemnify, and keep indemnified, to the fullest extent permitted by law, SML against all actions, suits, proceedings, claims, demands, liabilities, costs, expenses, charges, damages and losses (including, without limiting the foregoing, legal fees, costs and disbursements and any liability to any governmental authority) which may be taken or made against or incurred by SML directly or indirectly by reason of his/its appointment as a director pursuant to the Director Services Agreement or anything done or omitted to be done by SML in the course of providing the services or in accordance with the Director Services Agreement.

## **THE INVESTMENT ADVISOR**

The Fund has engaged Digital Asset Solutions AG as the Investment Advisor (**Investment Advisor**) of the Fund's assets and investments under an agreement (**Investment Advisory Agreement**) with responsibility of providing certain discretionary investment Advisor services to the Fund in accordance with the terms and conditions of the Investment Advisory Agreement, the provisions of this Offering Memorandum and Articles and subject to the overall supervision of the Board.

The Fund has agreed to indemnify the Investment Advisor from all liabilities of whatsoever nature, which it may incur in performing its obligations under the Investment Advisory Agreement, other than those liabilities resulting from negligence or willful default on the part of the Investment Advisor.

## **THE ADMINISTRATOR**

The Fund has entered into a contract (**Administration Agreement**) with ATU Fund Administrators (BVI) Limited (**Administrator**) of 3076 Sir Francis Drake's Highway, P.O. Box 3463 Road Town, Tortola, British Virgin Islands.

The Administrator has agreed to provide administrative services to the Fund, including (i) the calculation of the Fund's Net Asset Value on each Valuation Day; (ii) supervision of Subscription Payment and redemption services; (iii) maintaining the register of Shareholders of the Fund and generally performing all actions related to the issuance and transfer of Shares and the safe-keeping of certificates therefore, if any; (iv) performing all acts related to the redemption and/or purchase of the Shares; (v) maintaining a record of dividends declared, if any, and dividends paid; (vi) on behalf of the Fund, dealing with and replying to all correspondence and other communications addressed to the Fund; and (vii) performing all other incidental services necessary to its duties aforesaid.

The Administration Agreement provides that the Administrator shall not be liable to the Fund or its Shareholders for any error of judgement, mistake of law or for any loss suffered by the Fund or its Shareholders in connection with its services in the absence of wilful or reckless misconduct, bad faith or gross negligence. The Administration Agreement contains provisions for the indemnification of the Administrator by the Fund against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances as per the Administration Agreement.

See "Fees And Expenses" herein for a description of the fees payable to the Administrator pursuant to the Administration Agreement.

## **Authorised Representative**

ATU Authorised Representative (BVI) Limited will act as Authorised Representative of the Fund in the BVI. The function of the Authorised Representative as required by SIBA includes: (a) to act as the main intermediary between the Fund and the Commission; (b) to accept service of notices and other documents on behalf of the Fund; and (c) to keep at its office in the BVI such records or copies of such records in relation to the Fund as may be prescribed under the BCA, Mutual Funds Regulations and Approved Funds Regulations.

## FEES AND EXPENSES

### ORGANISATIONAL, ONGOING AND OTHER COSTS

The Investment Advisor has paid for certain organisational costs of the Fund. The Fund will reimburse the Investment Advisor for such costs. The Fund will amortise this for a period of 60 months. The Fund will be responsible for all of the necessary expenses of its operation including, without limitation, the cost of maintaining the Fund's registered office in the BVI, the Fund's annual fees due to the Commission, brokerage commissions, research expenses, legal and accounting, fund administration, investment related consultants and other service provider expenses, investment related travel costs, expenses incurred with respect to the preparation, duplication and distribution to the Shareholders and prospective Shareholders of Fund offering documents, annual reports and other financial information, and similar ongoing operational expenses. The Investment Advisor is responsible for providing all office personnel, space and facilities required for the performance of its services.

### FEES OF THE INVESTMENT ADVISOR

#### Advisory Fee

Pursuant to the Investment Advisory Agreement, the Investment Advisor receives an annual advisory fee in respect of the Participating Shares ("**Advisory Fee**") that is equal to 0.9% per annum of the Net Asset Value attributable to the Participating Shares during the relevant calendar year. The Advisory Fee will be calculated and paid monthly, in arrears. The Advisory Fee will be prorated based upon a Shareholder's actual period of ownership of its Shares. The Investment Advisor may, in its discretion, effectively waive all or part of the Advisory Fee with respect to any Shareholder by rebate or otherwise.

#### Performance Fee

The Fund will not charge performance fee.

#### Series Accounting

The Fund will establish and maintain separate accounts for each Series of Share Class (the "**Separate Accounts**") and each, a "**Separate Account**"). Investments are made for the Fund on a consolidated basis, and profits and losses are allocated to each Class and Series Separate Account pro rata based on their gross asset value as of the beginning of the Business Day.

#### Series Consolidation

The Fund intends to, whenever possible, convert any subsequent Series into the initial Series. This process of series consolidation is done to limit the number of outstanding Series. During this consolidation process, a holder of Shares may find that, following such re-designation, the number of Shares that they hold may change in order to reflect the Net Asset Value per Share of such Shares, as at their date of conversion. The aggregate value of the Shares will not change.

### FEES OF THE ADMINISTRATOR

For performing and supervising the performance of corporate and administrative services necessary for the operation and administration of the Fund, the Administrator will receive its customary fees for its services. The Administrator will also be reimbursed for all out-of-pocket expenses.

### OTHER FEES AND OPERATING EXPENSES

The Investment Advisor is responsible for providing all personnel, office space and facilities required for the performance of its services. The Fund bears all other expenses incidental to its operations and business, including: (i) fees and charges of custodians; (ii) interest and commitment fees on loans and debit balances; (iii) income taxes, withholding taxes, transfer taxes and other governmental charges and duties; (iv) fees of the Fund's Administrator, legal advisors and independent auditors; (v) the cost

of maintaining the Fund's registered office in the BVI; (vi) the cost of printing and distributing this Memorandum and any subsequent information memorandum or other literature concerning the Fund, and application materials and any reports and notices to Shareholders; (vii) consultant and other services provider expenses deemed desirable in the sole discretion of the Directors; (viii) the cost of insurance premiums (if any), including, without limitation, the cost of director and officer liability insurance policies; (ix) the annual fee payable by the Fund to the Commission; and (x) all similar ongoing operational expenses.

## SHARES IN THE FUND

### SUBSCRIPTION AND REDEMPTION REQUEST

Applications for subscriptions should be made on the Application Form and sent to the Administrator by email and addressed to: ATU Fund Administrators (BVI) Limited, 3076 Sir Francis Drake's Highway, P.O. Box 3463, Road Town, Tortola, British Virgin Islands, email address: investorservices@atubvi.com

### THE SHARES

The Participating Shares in the Fund are offered during the Initial Offer Period at the Initial Offering Price of US\$5,000 per share and thereafter on each Subscription Day at the Subscription Price.

Following the end of the Initial Offering Period, Shares may be purchased on each Subscription Day at a fixed price of US\$5,000 per share (**Subscription Price**).

### PROCEDURE FOR SUBSCRIPTIONS

Following the Initial Offer Period Participating Shares may be issued at a Subscription Price of US\$5,000 on any Subscription Day. Subscriptions are subject to a 5 (five) calendar Days' notice period which notice may be waived by the Directors in their sole discretion. Subscription Days are the first calendar Day and fourteenth Day after each calendar month and/or such other day or days as the Directors may from time to time determine. Applications should be made on the Application Form and sent by email to the Administrator at the email address shown in the section entitled "Subscription and Redemption Request". Copies of the Application Form are available from the Administrator. Applications received without the requisite notice will be accepted on the following Subscription Day. The Fund has the right to accept or reject (in whole or part) any application for Shares. Applicants should be aware of the risks associated with sending emailed applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any email.

Participating Shares may be issued in fractions of a share provided that the minimum fraction is not less than one-thousandth of a Participating Share. Application monies representing smaller fractions of a Participating Share will be retained by the Fund.

No Participating Shares will, unless the Directors otherwise determine, be issued unless and until the relevant application monies have been received in cleared funds by or on behalf of the Fund. Application monies may be paid in US Dollars or any other Fiat currency acceptable to the Directors. Application monies other than in US Dollars will be converted into US Dollars and all bank charges and other conversion costs will be deducted from the application monies prior to investment in Participating Shares.

Unless the applicant has made arrangements with the Advisor to make payment in some other currency or by some other method, payment must be made in US Dollars by international wire transfer to: DAS - Diversified Crypto Exposure Ltd. Participating Shares may not be issued during the period of any suspension of the determination of the Net Asset Value.

Please note that the cleared funds need to be received 5 (five) calendar Days' before the Subscription Day subject to waiver by the Directors at their sole discretion. Participating Shares will be in registered form and share certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application monies.

As part of the Fund's and the Administrator's responsibility for the prevention of money laundering, they may require a detailed verification of the applicant's identity and the source of payment for the Shares. Depending on the circumstances of each application, a detailed verification might not be required when:

- (a) the applicant is a recognised financial institution which is regulated by a recognised regulatory authority and carries on business in an "approved country" listed in Proceeds of Criminal Conduct Act 1997 of the laws of the BVI and the Money Laundering Regulations related thereto; or

- (b) the application is made through a recognised intermediary or payment is made through a banking institution, which in either case is regulated by a recognised regulatory authority and carries on business in an approved country.

The Fund and the Administrator reserve the right to request such information as they consider to be necessary to verify the identity of the applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund or the Administrator may refuse to accept the application and all Subscription Payments relating thereto or may refuse to process a subscription request until proper information has been provided.

## **PROCEDURE FOR REDEMPTIONS**

Subject to restrictions set out in this Offering Memorandum, each Shareholder may redeem all or any number of its Shares on any Redemption Day.

A Shareholder wishing to redeem its Shares must send a completed Redemption Request to the Administrator. The completed Redemption Request must be received by no later than 5:00 p.m. (BVI time) on a Business Day falling at least 5 (five) calendar days (or such shorter period as the Directors may permit, either generally or in any particular case) before the relevant Redemption Day. Unless the Directors agree otherwise, any Redemption Request received after this time will be treated as an ad hoc request and be subject to the Redemption Fee.

A Redemption Request may be sent by email. None of the Directors, the Fund, or the Administrator accept any responsibility for any loss arising from the non-receipt or illegibility of any Redemption Request sent by email, or for any loss caused by or as a result of any action taken in connection with email instructions believed in good faith to have originated from properly authorised persons.

A Redemption Request may be refused if it is not accompanied by such additional information as the Fund or the Administrator may require, including, but not limited to, any outstanding anti-money laundering documentation.

If a redeeming Shareholder owns Shares of more than one Series, Shares will be redeemed on a "first in-first out" basis for the purpose of determining the Redemption Price. Accordingly, Shares of the earliest issued Series held by the Shareholder will be redeemed first, at the Redemption Price of Shares of such Series until the redeeming Shareholder no longer owns any Shares of such Series.

Once a Redemption Request has been received by the Administrator it may not be revoked by the Shareholder unless it is agreed by the Directors.

Payment of redemption proceeds will normally be made as soon as practicable after the relevant Redemption Day and subject to the Administrator having received such other information and documentation as may be required. Payment will be made in the Functional Currency of the Shares being redeemed by direct transfer to the Shareholder's account from which the subscription monies were originally remitted. Any costs incurred in making the transfer will be borne by the Shareholder. No redemption proceeds will be paid to a third party. No interest will be paid to the Shareholder in respect of redemption proceeds.

A Shareholder may request that payment of redemption proceeds be made in a currency other than the relevant Functional Currency. If the Directors permit payment in a currency other than the relevant Functional Currency, conversion into the requested currency will be arranged by the Administrator and the cost of conversion will be deducted from the redemption proceeds.

The Fund aims to pay all redemption proceeds in cash. However, under circumstances of low liquidity or adverse market conditions, the Directors may pay redemption proceeds in whole or in part by the transfer of assets with a value equal to the Redemption Price. The Directors may choose, in their sole discretion, which underlying assets of the Fund to transfer to the redeeming Shareholder. The assets to be transferred will be valued as at the relevant Redemption Day, by reference to the valuation principles applied in the calculation of the Net Asset Value. Assets may be transferred directly to the redeeming

Shareholder or may be transferred to a liquidating trust, account, or entity and sold or otherwise realised for the benefit of the redeeming Shareholder. If assets are transferred to a liquidating trust, account, or entity, the redeeming Shareholder may receive interests in the entities holding the actual assets or may receive participating rights in relation to such assets. Any cash proceeds received by a redeeming Shareholder will reflect the value of the assets on the date on which they are sold or realised. The cost of operating the liquidating trust, account, or entity and managing, selling, or otherwise realising the assets will be deducted from the proceeds paid to the redeeming Shareholder.

Redemption proceeds will not be paid to a Shareholder until the Fund has received any outstanding information or documentation required in connection with any applicable anti-money laundering requirements or similar matters. None of the Directors, the Investment Advisor, or the Administrator will be liable for any loss arising as a result of any delay in payment of any redemption proceeds if such information and documentation have not been provided by the Shareholder.

The Fund may refuse to pay redemption proceeds to a Shareholder if the Directors, the Investment Advisor, or the Administrator suspects or is advised that the payment of the redemption proceeds may result in a breach of any applicable laws or regulations in any relevant jurisdiction.

The Directors may also in certain circumstances reduce the redemption proceeds payable to a Shareholder by the amount of any withholding or other tax borne by the Fund that the Directors determine is attributable to such Shareholder.

Shares will be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not a Shareholder has been removed from the register of members or the redemption proceeds have been determined or remitted. Accordingly, on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles of Association with respect to Shares being redeemed (including any right to receive notice of, attend or vote at any general meeting or separate class meeting) save for the right to receive the redemption proceeds and any dividends which have been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Shares being redeemed). Such Shareholders will be treated as creditors of the Fund with respect to the redemption proceeds and any such declared dividends and their right to receive the same will rank ahead of remaining Shareholders in the distribution of the surplus assets of the Fund on its liquidation but behind debts owed to the Fund's service providers and other third-party creditors.

### **Compulsory Redemptions**

The Fund may, by giving, the same notice as disclosed to the Shareholder at the time of subscription, on any day designated by the Directors, compel redemption of all or some of the Shares held by such Shareholder at any time for any reason or no reason.

In particular, the Fund may compulsorily redeem those Shares held by a Shareholder if the Directors become aware that such ownership gives rise to a breach of any applicable law or requirement in any jurisdiction, or may, in the opinion of the Directors: (i) prejudice the tax status or residence of the Fund or its Shareholders; or (ii) cause the Fund or its Shareholders to suffer any legal, regulatory, pecuniary, taxation or material administrative disadvantage; or (iii) cause the Fund to be required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. Shareholders are required to notify the Fund and the Administrator immediately if at any time they become aware that any of the above circumstances apply to them.

Save as provided in this section, redemption proceeds for compulsory redemptions will be calculated and paid in the same manner as voluntary redemptions.

Where any fees, payment, withholding, or deduction becomes payable by the Fund because of a particular Shareholder, the Fund may redeem a portion of such Shareholder's Shares in order to pay such amount. In such circumstances, the redemption proceeds may be paid directly by the Fund to the relevant third party and not paid to the Shareholder.

No redemption fee will be charged with respect to any compulsory redemption.

## **SUSPENSION OF DEALINGS AND DETERMINATION OF NET ASSET VALUE**

The Directors may declare a suspension of: (i) the determination of Net Asset Value per Share of any one or more Classes; and/or (ii) the issue of Shares of any one or more Classes; and/or (iii) the redemption of Shares of any one or more Classes; and/or (iv) the payment of any redemption proceeds of Shares with respect to one or more Classes (even if redemptions are not suspended) during:

- (a) any period when any securities exchange or organised over-the-counter market on which a significant portion of the Fund's assets held for any Class is regularly quoted or traded is closed (other than for ordinary holidays and weekends) or trading thereon has been restricted or suspended; or
- (b) any period when, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund, disposal of the assets of the Fund held for any Class or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or redemption of securities held for any Class is not reasonably practicable without being detrimental to the interests of the relevant Shareholders; or
- (c) any period when there is a breakdown in the means of communication normally employed in determining the price of a significant portion of the investments held by the Fund for any Class or when for any other reason the value of a significant portion of the investments or other assets of the Fund held for any Class cannot reasonably or fairly be ascertained; or
- (d) any period when the Fund or its agents are unable to repatriate funds required for the purpose of making payments on redemption or during which any transfer of funds involved in the realisation or acquisition of assets held for any Class or when payments due on redemption cannot in the opinion of the Directors or their agents be effected at normal rates of exchange; or
- (e) any period when proceeds of any sale or redemption of the Shares of any relevant Class cannot be transmitted to or from the Fund's account; or
- (f) any period when redemption proceeds cannot lawfully be paid by the Fund in the Functional Currency of the relevant Class; or
- (g) any period when, due to a breakdown in the systems normally used to determine the Net Asset Value or for any other reason, it is not reasonably practicable to accurately determine the Net Asset Value; or
- (h) any period when the business operations of the Investment Advisor or Administrator in respect of the Fund are substantially interrupted or closed due to pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, cyber-attack, natural disaster or other events beyond the reasonable control of the relevant party; or
- (i) any period when, in the opinion of the Directors, it would be in the best interests of the Fund to do so; or
- (j) any period in which the Fund seeks to commence an orderly liquidation and wind up of the Fund.

Any suspension will take effect at the time the Directors specify in their declaration. The Directors will provide written notice to each Shareholder of any suspension as soon as practicable after the declaration of such suspension. Upon the determination by the Directors that the condition giving rise to a suspension has ceased to exist and no other condition under which suspension is authorised exists, such suspension will be lifted and written notice will be sent to the Shareholders regarding the lifting of such suspension and the next date as of which Shareholders will be permitted to redeem all or a portion of their Shares.

Applications for Shares for a Subscription Day falling within a period when the issue of Shares of the relevant Class is suspended will be acted upon on the first Subscription Day after the suspension has ended. A subscriber may withdraw his application for Shares during a period of suspension provided that a redemption notice is actually received by the Administrator before the suspension has ended.

Upon a suspension of redemption rights, all pending Redemption Requests will be carried forward to the next earliest relevant Redemption Day occurring after the suspension has ended and will be given priority over Redemption Requests received during a period of suspension. A Shareholder may withdraw his Redemption Request during a period of suspension provided that a redemption notice is actually received by the Administrator before the suspension has ended.

While all reasonable steps will be taken to bring any period of suspension to an end as soon as possible, the circumstances giving rise to the decision to suspend may continue for a prolonged period of time such that the Directors consider that it is appropriate that the suspension be declared permanent. In such circumstances, the investments of the Fund will be managed for the sole purpose of realising all investments in anticipation of the termination of the business of the Fund, without the appointment of a liquidator or recourse to a formal liquidation process (**Orderly Realisation**).

### **Orderly Realisation**

Unlike a formal liquidation, the informal wind down of the Fund's affairs through an Orderly Realisation leaves the Directors' powers intact and allows the continued management of the Fund's portfolio. That management is however directed to reducing the Fund's portfolio to cash (to the extent reasonably practicable, as advised by the Investment Advisor) and to returning such cash as well as all other assets of the Fund to the Shareholders, the Directors using any means permitted by applicable law including, but not limited to, by way of dividend, distribution, redemption and share repurchase. The Directors shall promptly communicate to Shareholders any resolution to proceed with an Orderly Realisation of the Fund.

During an Orderly Realisation, the Directors, in consultation with the Investment Advisor, shall seek to establish what they consider to be a reasonable time by which the Orderly Realisation should be effected (**Realisation Period**). Any resolution to undertake an Orderly Realisation and the process thereof shall be deemed to be integral to the business of the Fund and may be carried out with a minimum of formality (i.e. without recourse to a formal process of liquidation or any other applicable bankruptcy or insolvency regime). The Directors, in consultation with the Investment Advisor, may at any time: (i) resolve to cease the Orderly Realisation within the Realisation Period and recommence active trading if the circumstances so permit; or (ii) extend the Realisation Period if the Investment Advisor recommends to the Directors that additional time is needed to effect the Orderly Realisation. The Directors, in consultation with the Investment Advisor, shall establish what they consider to be a reasonable extension of the Realisation Period. The Directors shall promptly communicate to Shareholders any resolution to cease the Orderly Realisation or extend the Realisation Period.

During any Orderly Realisation, it is possible that the Directors or the Investment Advisor will determine that investments are required to be made by the Fund in order to safeguard the value of the Fund's investment portfolio or in order to permit the Fund to effect redemptions of Shares. Such investments may include, but are not limited to, the subscription for equity interests in special purpose vehicles or using the Fund's assets to maintain margin cover.

An Orderly Realisation may be effected more than once during the lifetime of the Fund.

### **TRANSFERS OF SHARES**

Transfers of Shares by instruments in writing in the usual common form are permitted only with the prior consent of the Directors, for which consent may be withheld in the absolute discretion of the Directors. Any transferee of Shares is required to furnish the same information and complete the same documents that would be required in connection with a direct application for Shares, including without limitation being required to complete a subscription agreement, in order for a transfer application to be

considered by the Directors. Violation of applicable ownership and transfer restrictions may result in a compulsory redemption.

## **SELLING RESTRICTIONS**

The distribution of this Memorandum and the offering of the Shares of the Fund may be restricted in certain jurisdictions. This Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. It is the responsibility of every person wishing to make application in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction and to pay all transfer and other taxes required to be paid in such jurisdiction.

## **DETERMINATION OF NET ASSET VALUE**

In accordance with the provisions of the Fund's Memorandum of Association and Articles of Association, as summarised herein, and under the overall supervision and direction of the Directors, in conjunction with the Investment Advisor, the Administrator will calculate the Fund's Net Asset Value as of the last Day of the relevant calendar month, or on another day, in the discretion of the Directors (each a **Valuation Day**).

The Net Asset Value of the Fund is equal to the Fund's assets less the Fund's liabilities, each valued pursuant to International Financial Reporting Standards. Such calculation will be made by the Administrator acting in good faith, after consulting with the Investment Advisor. In no event shall the Directors or the Administrator incur any individual liability or responsibility for any determination made or action taken or omitted by them in the absence of wilful neglect or default.

All debts, liabilities, and Net Asset Valuations will be determined in accordance with International Financial Reporting Standards.

For the purposes of determining the Net Asset Value of each Class and Series, a separate accounting record will be established in the books of the Fund in respect of each Class and Series. Each Series of each Class will typically have a different Net Asset Value per Share. Any Management Fees calculated in respect of a Series will be deducted from the Net Asset Value of that Series.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Net Asset Value determination if judgments regarding appropriate valuations should prove incorrect. Absent bad faith or manifest error, the Fund's determination of Net Asset Value is conclusive and binding on all Shareholders and prospective investors.

## **VALUATION**

The Fund's crypto-currencies, crypto assets or other assets commonly operating on the blockchain network shall be valued in accordance with the following principles:

- (a) digital assets which are listed on one or more digital exchanges, traded over-the-counter, or traded on a decentralized exchange, or for which market quotations are available shall be valued at the reported close price on Bloomberg or another recognised data provider on the relevant Valuation Day.
- (b) leveraged digital assets which are listed on one or more digital exchanges, traded over-the-counter, or traded on a decentralized exchange, or for which market quotations are available shall be valued at the last/close reported price obtained directly from the specific exchange with which the Fund's leveraged investment position has been opened and remains opened;

- (c) digital assets generally traded on an established digital market but for which no recorded sales information or quotations of last/close prices are available on such date (or, if applicable, the last preceding business day) shall be valued by the Directors in good faith with reference to (i) the most recently reported close prices (in that order), (ii) quoted price information as of such date not generally reported but secured from a reputable broker or investment banker, and (iii) such other information as the Investment Advisor believes in good faith is relevant;
- (d) digital assets not listed or traded on any exchange or on the over-the-counter market shall be valued based upon quotations obtained from independent market makers, dealers or pricing services, and if no such quotations are available, shall be considered as having no ascertainable market value and shall be valued at fair value based on information available to the Investment Advisor regarding the value or worthlessness of such assets;
- (e) quotations of investments in a foreign (fiat) currency shall be converted to U.S. dollar equivalents at the closing Bloomberg rate on the relevant Valuation Day; and
- (f) digital assets accepted as in-kind investments, and paid as in-kind distributions may be valued by the price listed on coinmarketcap.com, or similarly situated exchanges that have the largest volume of digital asset trading, on the date of the valuation. In any event, such in-kind investments and in-kind distributions may also be valued in a manner agreed upon by the Investment Advisor and the Shareholder at the time of subscription and redemption.
- (g) digital assets earned and accruing in decentralized protocol liquidity pools or delegated to validator ("staking") notes may not reflect the potential realized valuation net of transaction costs, and the Investment Advisor may or may not include these positions for valuation in good faith in its sole discretion.
- (h) digital assets with lock-up time periods may be valued per (a), (b), (c), or (d) above but its purchase price discount may be amortized linearly between the vesting cliff date and the end of the lock-up time period.

The foregoing valuations may be modified by the Directors in consultation with the Investment Advisor to reflect restrictions upon marketability or other factors affecting valuation. Without limiting the foregoing, the Directors in consultation with the Investment Advisor's valuation may reflect the amounts invested by the Fund in the asset, notwithstanding that the amounts may not represent the asset's market value. Absent bad faith or manifest error, all determinations of values by the Directors in consultation with the Investment Advisor shall be final and conclusive as to all Shareholders.

## CERTAIN RISK FACTORS

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Fund. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Fund. Rather, the following are only certain risks to which the Fund is subject and that the Investment Advisor wishes to encourage prospective investors to discuss in detail with their professional advisors.

1. **New Enterprise; Potential of Loss**

The Fund is an enterprise with no operating history. Accordingly, an investment in the Fund entails a high degree of risk. There can be no assurance that the Fund will achieve its investment objective or that the strategies described herein will be successful. Given the factors that are described below, there exists a possibility that an investor could suffer a substantial or even a complete loss of his investment in the Fund.

2. **Reliance on Key Personnel**

All decisions with respect to the investment of the Fund's capital will be made by the Investment Advisor. Shareholders will have no right or power to take part in the management of the Fund. As a result, the success of the Fund for the foreseeable future will depend largely upon the ability of the aforementioned individuals and should any of them terminate his relationship with the Investment Advisor, die or become otherwise incapacitated for any period of time, and should the replacement (if any) for any of them not equal his or her predecessor's performance, the profitability of the Fund's investments may suffer. In addition, should the Investment Advisor terminate its relationship with the Fund, the profitability of the Fund's investments may suffer. There can be no assurance that the Investment Advisor will be successful in managing the Fund's assets.

3. **No Current Income**

The Fund's investment policies should be considered speculative, as there can be no assurance that the Investment Advisor's assessments of the short-term or long-term prospects of investments will generate a profit. In view of the fact that the Fund will likely not pay dividends, an investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

4. **Risk of Early Losses**

If the Fund begins trading under market conditions which result in substantial early losses, the risk of the Fund having to terminate its trading will be substantially increased. The Fund could experience substantial cash flow difficulties were its assets to be depleted early, particularly in view of the charges to which the Fund is subject. The Fund may commence trading operations at an unpropitious time resulting in significant initial losses.

5. **Trading Risks**

The success of the Fund's investment activities will depend on the Investment Advisor's ability to identify and exploit price discrepancies in corporate events. Identification and exploitation of such opportunities involves uncertainty. No assurance can be given that the Investment Advisor will be able to locate investment opportunities or to correctly exploit price discrepancies in corporate events. A reduction in the pricing inefficiency of corporate events in which the Fund will seek to invest will reduce the scope for the Fund's investment strategies. In the event that the perceived mispricing's underlying the Fund's positions were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Advisor, the Fund may incur a loss.

The Fund's investment strategies will be designed to be relatively non-correlated with respect to the movements in equity markets in general. However, depending upon the investment

strategies employed and market conditions, the Fund may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates, forced redemptions of securities or acquisition proposals. The Investment Advisor believes that the Fund's investment program and risk management techniques moderate these risks.

#### 6. **Legality of Digital Currencies**

It may be illegal, now or in the future, to own, hold, sell or use digital currencies in one or more countries, including the United States. Although currently digital currencies are not regulated or are lightly regulated in most countries, including the United States, one or more countries may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use digital currencies or to exchange digital currencies for fiat currency. Such an action may restrict the Fund's ability to hold or trade digital currencies, and could result in termination and liquidation of the Fund at a time that is disadvantageous to Shareholders, or may adversely affect an investment in the Fund.

#### 7. **Investing in Blockchain Technology Companies**

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

#### 8. **Digital Assets**

The Fund and the portfolio companies may be subject to various risks associated with digital assets. Digital assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the Fund's funds that reside on an exchange that shuts down may be lost.

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

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

#### 9. **Digital Asset Exchanges**

The digital asset exchanges on which digital assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, digital asset exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase digital assets, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of digital assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring digital assets from a personal account to a third-party's account. The 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 redemptions 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).

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the Fund to recover money or digital assets being held by the exchange, or to pay investors upon distribution or redemption. 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 favourable prices of digital assets, or may adversely affect the Fund, its operations and investments, or the Shareholders.

10. **Limited Exchanges on Which to Trade**

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

11. **Decentralized Exchanges Dependent on New Technology**

Decentralized exchanges are in the rapidly changing fields of blockchain technology and the digital assets markets and face special risks. The Investment Advisor has no control over and limited visibility into future technological developments. The rapid pace of technological development creates the risk that a decentralized exchange's products and services become obsolete, fail to gain meaningful market share, or fall out of favour as more appealing and advanced technologies and products emerge. A decentralized exchange's intellectual property rights may be subject to legal challenge. Many companies in the blockchain technology and Digital Assets space have limited operating histories. Such a company may be unable to engage and retain sufficient skilled engineering, marketing and management personnel to allow it to maintain its technological edge and develop the corporate infrastructure required to sustain and grow its business. For these and other reasons specific to the decentralized trading industry,

investments through decentralized exchanges which operate in blockchain technology industries pose greater risks than those in certain other sectors.

12. **Impermanent Loss**

Automated market-maker protocols and other yield-bearing capital pools are a new and novel technology which allow the Fund to earn trading fees by providing liquidity to such pools. These systems may have risks that are not yet fully understood when there is volatility in the underlying digital currencies which comprise the capital pool. Volatility within such yield-bearing capital pools could lead to loss of committed digital currencies (such loss, "Impermanent Loss") or other unexpected adverse behaviours, thereby lowering the value of the Fund's returns from such yield-bearing capital pools. Additionally, such capital pools are open market systems that may be subject to a variety of economic/volatility attacks by other market participants. Such adverse action by other market participants may further increase the volatility of the underlying digital currencies in the capital pools thereby compounding any Impermanent Loss.

13. **Regulatory Risks Due to Novelty of Decentralized Exchanges**

Decentralized exchanges are fairly new, and their compliance with various aspects of regulatory regimes applicable to securities transactions is untested. A federal or state regulator could take a position that a decentralized exchange's activities (and perhaps the activities of the users/traders/lenders/borrowers/members of those platforms, such as the Fund) do not comply with applicable law. Further, there is a risk that decentralized exchanges are mandated to comply with Anti-Money Laundering ("AML") and Know Your Customer ("KYC") regulations applicable to traditional exchanges as well as jurisdiction-specific lending laws. Any such regulatory action could adversely affect the Fund and the Shareholders.

14. **Risks of Buying or Selling Digital Assets**

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

15. **Third Party Wallet Providers**

The Fund may use third party wallet providers to hold a portion of the Fund's digital assets. The Fund may have a high concentration of its digital assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, cyber-attacks or malicious insiders. 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.

16. **Digital Asset Trading is Volatile and Speculative**

Digital assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, digital currencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for digital assets is generated by speculators and investors seeking to profit from the short or long-term holding of digital assets. The relative lack of acceptance of

digital assets in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with digital assets. A lack of expansion by digital assets into retail and commercial markets, or a contraction of such use, may result in increased volatility. The Fund's portfolio may include investments particularly subject to increased risk because they are in digital assets and Portfolio Companies in the blockchain technology and digital assets industries. As a result, the Fund may experience substantial volatility and potential for loss.

17. **Risk of Loss of Private Key**

Digital assets are controllable only by the possessor of unique private keys relating to the addresses in which the digital assets are held. The theft, loss or destruction of a private key required to access a digital asset is irreversible, and such private keys would not be capable of being restored by the Fund. Any loss of private keys relating to digital wallets used to store the Fund's digital assets could result in the loss of the digital currencies and a Shareholder could incur substantial, or even total, loss of capital.

18. **Proof of Stake Risk**

The Fund may invest some of its assets through protocols that verify transactions through a concept known as Proof of Stake (**PoS**). PoS generally allows holders of a digital asset to verify future transactions in a protocol based on various factors, depending on the rules of the protocol. Some protocols allow holders with a larger amount of the digital asset (i.e. stakes) deposited in the protocol to be awarded with additional digital assets through the verification of future transactions. Those with stakes in some protocols may also have the ability to govern and vote on how the protocol is controlled in the future. As PoS typically requires storing a large amount of the relevant digital asset for a potentially long period of time in order to verify future transactions on the protocol, such investments may be illiquid for an extended period of time before there is any return on investment. Such illiquidity could have an adverse effect on the Fund. To the extent the Fund invests any of its assets through PoS-based protocols, there is a risk that a protocol assesses a penalty against the Fund in connection with the Fund's activities in verifying transactions in such protocol, which could result in a loss of some or all of the Fund's digital assets that have been deposited in the protocol. Further, PoS is subject to the same risks associated with digital assets in general including, but not limited to, equipment failure, regulatory control, and a failure of the network which the stake is deposited on.

19. **Forks and Airdrops**

Any new Digital Asset is provided involuntarily and without consideration. A Hard Fork or Airdrop may affect the value of the original digital currency or digital asset held by the Fund (the **Original Digital Asset**). If the relevant exchange, custodian, wallet or other storage solution where the Fund holds the original Digital Asset (collectively, the **Storage Solution**) accommodates the new Digital Asset, the Investment Advisor, in its sole discretion, may elect to claim the new Digital Asset. That said, various storage solutions may (i) not accommodate the new Digital Asset; (ii) may only accommodate the new Digital Asset after a significant period; or (iii) may have a contractual right to claim the new Digital Asset for their own account. Additionally, the Investment Advisor may not have any systems in place to monitor or participate in Hard Forks or Airdrops. As a result of the foregoing, the Fund may not receive any new digital assets, thus losing any potential value from such original digital assets.

20. **Stolen or Incorrectly Transferred Digital Assets May be Irrecoverable**

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

21. **Amendments to a Digital Asset Network’s Protocols and Software Could Adversely Affect the Fund’s Investment and Trading Activities**

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

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

22. **Risk to Digital Asset Networks from Malicious Actors**

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

23. **Digital Assets Miners May Cease to Solve Blocks**

If the award of new digital assets, including Bitcoin or other Altcoins, as applicable, for solving blocks declines and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce the collective processing power on such digital asset network, as applicable, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the Bitcoin Network more vulnerable to a malicious actor or botnet

obtaining control in excess of fifty percent (50%) of the processing power on such network. Any reduction in confidence in the confirmation process or processing power of such network may adversely impact an investment in the Fund.

24. **Initial Coin Offering and Pre-Sale Initial Coin Offering Risk**

The Fund may invest some of its assets in initial coin offerings (**ICOs**). Similarly, the Fund may also invest some of its assets in presale-ICOs (**pre-ICOs**), which may include but are not limited to Simple Agreements for Future Tokens, but may do so in the future. ICOs and pre-ICOs allow for investors to purchase digital tokens offered or created by blockchain based companies on various platforms in exchange for dollars or already established digital currencies which can then be converted to dollars on a cryptocurrency exchange. ICOs and pre-ICOs are currently unregulated and are subject to fraud, security breaches, regulatory developments, enforcement actions, and technological developments. ICOs and pre-ICOs can at any point become subject to federal and state securities laws, federal commodity laws, and various international regulations, among other restrictions. Such restrictions may have an adverse impact on the Fund's assets or on the Fund's ability to sell its assets. As investors can purchase new tokens with already existing digital currencies, investments in ICOs and pre-ICOs subject the Fund to all risks associated with digital currencies in general.

ICOs and pre-ICOs occur in respect of digital assets that have not been tested or used in the marketplace. As a result, the risk that digital assets obtained by the Fund through ICOs or pre-ICOs will have imperfections and/or be susceptible to hackers is greater than that of digital assets that have already been established. In addition, there is also the risk that digital assets obtained by the Fund through ICOs or pre-ICOs will not develop a following.

As ICOs and pre-ICOs may arise at unpredictable intervals, there is a risk that the Fund's investments may become concentrated in a single (or limited number of) digital asset(s). Such limited diversification may result in the concentration of risk, which, in turn, could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements with respect to such digital asset(s). In addition, the Fund may be forced to hold cash for significant periods of time (until the occurrence of an ICO or pre-ICO opportunity).

Digital assets acquired by the Fund in connection with ICOs and pre-ICOs may also entail promises to sell within, or hold for, a specified time period. As a result, the Fund may be forced to sell an investment at an inopportune time, or hold an investment at times where it would otherwise be advantageous to sell. Digital assets sold through ICOs and pre-ICOs are currently experiencing high levels of performance and rapid increases in price. While past performance is generally not indicative of future results, this is especially the case with respect to digital assets purchased through ICOs and pre-ICOs, which are relatively new and untested products. In addition, there is not yet sufficient information to determine whether such high levels of performance are sustainable and/or how the digital asset market will react in the short- or long-term to the proliferation of ICOs and pre-ICOs currently taking place.

25. **ICO and Pre-ICO Valuation Risks**

ICOs and pre-ICOs may offer the Fund the ability to purchase digital assets at discounted prices. Digital assets purchased by the Fund will generally be valued at cost until active trading in such digital assets develops. Any such digital assets may also be revalued in the event the Investment Advisor believes such valuation does not accurately reflect the value of the applicable digital assets because there are subsequent offerings of such digital assets at higher values, as reported by the relevant issuer during the applicable financing round. Such values will be deemed accurate and will be used in determining the value of the applicable digital assets held by the Fund. Accordingly, while Shareholders who invest in the Fund prior to any revaluation or the emergence of such active trading, as applicable, will receive the benefit of purchasing such digital assets at discounted prices, any redemption proceeds paid to Shareholders who redeem their Shares from the Fund prior to any revaluation or the emergence of such active trading will reflect the lower, discounted prices and not the adjusted valuation price or expected trading price of such digital assets on any active exchange or other market, as applicable.

26. **Fraudulent ICOs and Pre-ICOs**

ICO and pre-ICO campaigns in which the Fund participates are unregulated and may turn out to be fraudulent. There is no guarantee that funds lost due to such fraudulent actions will be recovered by the Fund.

27. **Computer Malware, Viruses, Bugs, Etc.**

Computer malware, viruses, and computer hacking and phishing attacks have become more prevalent in the industries in which Portfolio Companies operate, and may occur on portfolio companies' systems. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security, and availability of portfolio companies' products and technical infrastructure may harm such portfolio companies' reputations, their ability to retain existing users and attract new users, and their results of operations.

Portfolio companies' products and internal systems generally rely on software that is highly technical and complex, and portfolio companies' internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. Such software may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within such software may result in a negative experience for users and marketers who use portfolio companies' products, delay product introductions or enhancements, or result in measurement or billing errors. Any errors, bugs, or defects discovered in portfolio companies' software could result in damage to such portfolio companies' reputations, loss of users, loss of revenue, or liability for damages, any of which could adversely affect such portfolio companies' business and financial results, and could result in significant losses for the Fund.

28. **Merger and Other Arbitrage**

The Fund may invest in securities of companies that the Investment Advisor believes may be the subject of an acquisition. When the Investment Advisor determines that it is probable that a transaction will be consummated, the Fund may purchase securities at prices often only slightly below the anticipated value to be paid or exchanged for such securities in the merger, exchange offer or cash tender offer (and substantially above the price at which such securities traded immediately prior to the announcement of the merger, exchange offer or cash tender offer). If the proposed merger, exchange offer or cash tender offer appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security to be tendered or exchanged will usually decline sharply, resulting in a loss to the Fund. In addition, where a security to be issued in a merger or exchange offer has been sold short in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may force the Fund to cover its short position in the market at higher price than its short sale, with a resulting loss.

In addition, the Fund may determine that the offer price for a security that is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, the Fund may purchase securities above the offer price, thereby exposing the Fund to an even greater degree of risk.

When the Fund determines that it is probable that a transaction will not be consummated, the Fund may sell the securities of the target company short, at times significantly below the announced price for the securities in the transaction. If the transaction (or another transaction, such as a defensive merger or a friendly tender offer) is consummated at the announced price or a higher price, the Fund may be forced to cover the short position in the market at a higher price than the short sale price, with a resulting loss.

The consummation of mergers, exchange offers and cash tender offers can be prevented or delayed by a variety of factors. Offers for tender or exchange offers customarily reserve the right to cancel such offers in a variety of circumstances, including an insufficient response from shareholders of the target company. Even if the defensive activities of a target company or the actions of regulatory authorities fail to defeat an acquisition, they may result in significant

delays, during which the Fund's capital will be committed to the transaction and interest charges may be incurred on funds borrowed to finance its arbitrage activities in connection with the transaction.

Exchange offers or cash tender offers are often made for less than all of the outstanding securities of an issuer, with the provision that, if a greater number is tendered, securities will be accepted on a pro rata basis. Thus, after the completion of a tender offer, and at a time when the market price of the securities has declined below its cost, the Fund may have returned to it, and be forced to sell at a loss, a portion of the securities it had previously tendered.

In most forms of corporate reorganisation, there exists the risk that the reorganisation either will be unsuccessful (for example, for failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect of which such distribution was made.

In arbitrage transactions, certain events including corporate restructurings, corporate actions or unexpected announcements by management may have an adverse effect.

In certain transactions, the Fund may not be hedged against market fluctuations or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

29. **Competition**

The securities industry, and the arbitrage business in particular, is extremely competitive. The Fund competes with firms, including many of the larger investment banking firms, which have substantially greater financial resources than does the Investment Advisor and substantially greater research staffs and more securities traders than does the Investment Advisor. In any given transaction, arbitrage activity by other firms may tend to narrow the spread between the price at which a security may be purchased by the Fund and the price it expects to receive upon consummation of the transaction.

30. **Risks of Special Techniques Used by the Investment Advisor**

The Fund may invest using special investment techniques that may subject the Fund's investments to certain risks. Certain, but not all, of these techniques and the risks that they entail are summarised herein. The Fund, in any event, is not designed to correlate to the broad equity market, and should be viewed as an alternative to instead of a substitute for equity investments.

31. **Reliance on Certain Information**

The Investment Advisor may elect to invest in securities on the basis of information and data filed by the issuers of such securities with the US Securities and Exchange Commission or made directly available to the Investment Advisor by the issuers of the securities and other instruments or through sources other than the issuers. Although the Investment Advisor evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Investment Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data.

32. **Risk Relating to Size of Issuer**

There is no limitation on the size or operating experience of the companies in which the Fund may invest. Some small companies in which the Fund may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialise. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies

may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

33. **Concentration of Investments**

From time to time a significant portion of the Fund's capital may be concentrated in a particular security, industry, market or country. Should such security, industry, market or country become subject to adverse financial conditions, the Fund's capital shall not be afforded the protection otherwise available through greater diversification of its investments.

34. **Exchange Rules**

Each securities exchange typically has the right to suspend or limit trading in any securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, the Fund's net assets are not sufficiently liquid to fund redemptions.

35. **Short Selling and Leverage**

The Fund's investment program may include investment techniques such as short selling and leverage which practices can, in certain circumstances, maximise the adverse impact to which the Fund's investments may be subject.

36. **Short Selling**

The Fund may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the issuer's securities declines, the Fund may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the applicable securities laws and the various national and regional securities exchanges, which restrictions could limit the Fund's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

37. **Illiquidity of Shares**

Transfers of Shares are restricted; there is no market for Shares and, accordingly, Shares may be disposed of only through the redemption procedures described elsewhere in this Memorandum. Under certain circumstances, such redemption procedures may entail a significant delay in redemptions.

38. **Distributions/Redemptions in Cash or Kind**

The Fund is not required to distribute cash or other property to the Shareholders, and the Fund does not intend to make any such distributions. Notwithstanding the foregoing, the Fund may, in its discretion, settle redemptions in kind.

39. **Notice Required**

A Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the Shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is made to the Administrator until the effective date of redemption.

40. **Compliance**

The Fund must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the scheduled term of the Fund, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from such requirements as at the date of this Memorandum.

41. **Reserves**

Under certain circumstances, the Fund may find it necessary to establish a reserve for contingent liabilities or withhold a portion of the Shareholder's settlement proceeds at the time of redemption, in which case the reserved portion would remain at the risk of the Fund's activities.

42. **Forced Liquidation**

Substantial redemptions by Shareholders within a short period of time could require the Investment Advisor to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's capital. The resulting reduction in the Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the Fund's fees and expenses payable by the remaining Shareholders.

43. **Litigation and Claims**

The Investment Advisor may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a lawsuit or proceeding arising from the Investment Advisor's wilful neglect or default in the performance of its duties, expenses or liabilities of the Fund arising from any suit shall be borne by the Fund.

44. **Conflicts of Interest**

The Fund and the Investment Advisor are subject to various conflicts of interest as set forth in the section of this Memorandum entitled "Potential Conflicts Of Interest."

45. **Need for Independent Advice**

The Investment Advisor has consulted with counsel, accountants and other experts regarding the formation of the Fund. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in the Fund.

46. **Legal Requirements**

The Fund must comply with various legal requirements, including requirements imposed by applicable securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the scheduled term of the Fund, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from current requirements.

47. **Economic and Business Conditions**

General economic and business conditions may affect the Fund's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause it to incur losses.

## POTENTIAL CONFLICTS OF INTEREST

The Investment Advisor, the Directors and their respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by any of the aforementioned parties (**Related Parties**) may face certain conflicts of interests in relation to the Fund. These conflicts include, but are not limited to, the following:

- The Investment Advisor and each of its directors presently and will in the future, directly or indirectly, direct, sponsor or manage other investment funds or managed accounts in addition to the Fund. The Investment Advisor and each of its directors may have financial or other incentives to favour some such investment funds or managed accounts over the Fund. The Investment Advisor will make its own decisions for the Fund, which decisions may differ from time to time from those recommended by analysts of the Investment Advisor for its other advisory clients.
- The Investment Advisor believes that it will continue to have sufficient staff, personnel and resources to perform all of its duties with respect to the Fund. However, because some of the officers of the Investment Advisor may have duties in connection with other investment funds and other matters, such officers may have conflicts of interest in the allocation of responsibilities, services and functions among the Fund and other entities similar to the Fund.
- The Investment Advisor may invest the Fund's capital in investment funds and/or with other accounts managed by the Investment Advisor. As a result, the Investment Advisor may receive fees based on these investments directly from the Fund and, directly or indirectly, from the other investment funds or accounts. Notwithstanding such circumstances, the Investment v will act in accordance with its fiduciary duties to the Shareholders.
- Some or all of the Related Parties may be involved with other entities utilising investment strategies similar to those of the Fund and with other business in general. The Investment Advisor may cause the Fund to invest in securities in which some or all of the Related Parties have a financial interest, or to engage in transactions with brokers or others with whom some or all of the Related Parties have financial or other relationships.
- The Related Parties may engage for their own accounts, or for the accounts of others, in other business ventures of any nature, and the Fund has no right to participate in or benefit from the other management activities of the Investment Advisor described above and the Related Parties shall not be obliged to account to the Fund for any profits or benefits made or derived therefrom, nor shall they have any obligation to disclose or refer to the Fund any of the investment or service opportunities obtained through such activities. Related Parties may own Shares in the Fund, deal as principals with the Fund in the sale or purchase of investments of the Fund or act as brokers, whether to the Fund or to third parties, in the purchase or sale of the Fund's investments and shall be entitled to retain any profits or customary commissions resulting from such dealings.
- The Investment Advisor may from time to time have an interest, direct or indirect, in a security, the purchase or sale of which by the Fund is recommended, or which in fact is purchased or sold by or otherwise traded for the Fund. Moreover, such recommendation, purchase, sale or trading may occur in connection with a transaction involving another investment fund or account managed by the Investment Advisor. Accordingly, the Investment Advisor may sell or recommend the sale of a particular security for certain accounts, including accounts in which it has an interest, and it or others may buy or recommend the purchase of such security for other accounts, including accounts in which it has an interest, and, thus, transactions in particular accounts may not be consistent with transactions in other accounts or with the Investment Advisor's investment recommendations. For example, the Investment Advisor may recommend that the Fund sell a security, while not recommending such sale for other accounts in order to enable the Fund to have sufficient liquidity to honour Shareholder's redemption requests. When there is a limited supply of investments, the Investment Advisor will use its reasonable efforts

to allocate or rotate investment opportunities, but the Investment Advisor cannot assure absolute equality among all of its accounts and clients.

#### **OTHER ACTIVITIES**

The Investment Advisor and the Directors and each of their respective affiliates may engage in other business activities and manage the accounts of clients other than the Fund including those of other collective investment vehicles. The investment strategy for such other clients may vary from that of the Fund. The Investment Advisor and the Directors and each of their respective affiliates are not required to refrain from any other activity, nor must they disgorge any profits from any such activity, including acting as general partner, investment Advisor or managing agent for investment vehicles with objectives similar to those of the Fund.

## **TAXATION**

### **INTRODUCTION**

This summary of the principal tax consequences applicable to the Fund and its Shareholder's is based upon advice received from the Fund's BVI legal and tax advisors. Such advice is based upon factual representations made by the Investment Advisor and Administrator concerning the proposed conduct of the activities to be carried out by them on behalf of the Fund. The conclusions summarised herein could be adversely affected if any of the material factual representations on which they are based should prove to be inaccurate. Moreover, while this summary is considered to be a correct interpretation of existing laws in force on the date of this Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws will not occur.

Prospective purchasers should consult legal advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions.

THIS SUMMARY IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING UNITED STATES FEDERAL TAX PENALTIES. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND ANY TAXPAYER TO WHOM THE TRANSACTIONS OR MATTERS ARE BEING PROMOTED, MARKETED OR RECOMMENDED SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

### **THE FUND**

#### **British Virgin Islands Taxation**

There is no income tax in the British Virgin Islands and neither the Fund nor its shareholders will be subject to any form of taxation under BVI law. There are no capital gains taxes, capital transfer taxes, estate duties or inheritance duties in the BVI. No stamp duties are levied in the BVI on the issue, transfer or redemption of shares.

#### **Other Jurisdictions**

Capital gains and other revenues received by the Fund may be subject to withholding or similar taxes imposed on foreign corporations by the country in which such gains or other revenues originate. In jurisdictions other than the United States, non-US taxes may be withheld at source on dividend and other income derived by the Fund at rates generally ranging up to 30%. Capital gains derived by the Fund in such jurisdictions may often be exempt from non-US income or withholding taxes at source, although the treatment of capital gains varies among jurisdictions.

### **CHANGES IN LAW**

All laws, including laws relating to taxation in the BVI and in other jurisdictions as well are subject to change without notice.

\* \* \* \*

The foregoing summary does not address tax considerations that may be applicable to certain Shareholders under the laws of jurisdictions other than the BVI. The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions that would afford the relief to local investors therein from the normal tax regime otherwise applicable to an investment in the Shares. It is the responsibility of all persons interested in purchasing the Shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions relevant to their particular circumstances in connection with the acquisition, holding, or disposition of the Shares. The value of the Fund's investments may also be affected by repatriation and exchange control regulations.

## **ADDITIONAL INFORMATION**

### **MATERIAL CONTRACTS**

The Fund has entered into the following contracts which may be material:

- (A) the Investment Advisory Agreement between the Fund and the Investment Advisor pursuant to which the Investment Advisor was appointed Investment Advisor of the Fund; and
- (B) the Administration Agreement between the Fund and the Administrator pursuant to which the Administrator was appointed Administrator to the Fund.

### **REPORTS TO THE SHAREHOLDERS**

Shareholders will be sent copies of the unaudited financial statements each year prepared in accordance with International Financial Reporting Standards.

### **REPORTS TO THE BRITISH VIRGIN ISLANDS FINANCIAL SERVICES COMMISSION**

As a fund regulated under SIBA, the Mutual Funds Regulations and the Approved Funds Regulations, the Fund is required to file copies of its unaudited financial statements with the BVI Commission within six months of its financial year end, and file an annual return by the 31 January for the previous year. The Authorised Representative will make the filings on behalf of the Fund.

### **AVAILABLE DOCUMENTS**

This Memorandum is not intended to provide a complete description of the Fund's Memorandum of Association and Articles of Association or the agreements with the Investment Advisor, the Administrator and various agents summarised herein. Copies of the following documents are available for inspection by Shareholders and prospective investors during normal business hours at the Administrator's office:

- (A) the BVI Business Companies Act, 2004, as amended from time to time;
- (B) the British Virgin Islands Securities and Investment Business Act, 2010, the Mutual Funds Regulations, 2010, and the Securities and Investment Business (Incubator and Approved Funds) Regulations, 2015 each as amended from time to time;
- (C) the material contracts referred to above; and
- (D) the latest unaudited annual financial statements of the Fund, as and when available.

### **LEGAL ADVISORS**

The law firm of ATU Legal (BVI) Limited serves as legal advisors to the Fund and the Investment Advisor in connection with matters pertaining to BVI law and may serve as legal advisors to other investment funds sponsored or managed by the Investment Advisor and its affiliates. Should a future dispute arise between the Fund and Investment Advisor, separate legal advisors may be retained as circumstances and professional responsibilities then dictate. The legal advisors to the Fund do not represent the Shareholders.

### **INQUIRIES AND COMMUNICATION WITH THE FUND**

All communications and correspondence with the Fund and inquiries concerning the Fund and the Shares, including information concerning applications for Shares and redemption procedures and current Net Asset Value, should be directed to the Administrator at the address set forth in the "Directory" appearing elsewhere in this Memorandum.

## **GENERAL INFORMATION**

1. The Fund was formed in the BVI as a BVI Business Company on 24 June 2025 under the BVI Business Companies Act, 2004, as amended from time to time.
2. The Memorandum of Association and the Articles of Association of the Fund are its constitution.
3. The authorised shares of the Fund are 5,000,000 divided into 4,999,900 Shares which may be issued in Classes and Series and 100 Management Shares.
4. Save as disclosed in this document, no commissions, discounts, brokerages or other special terms have been granted by the Fund in connection with the issue or sale of any Shares.
5. The Fund is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it.
6. The Directors have power to create and constitute Classes of Shares with such names and terms as they may determine.
7. Subject to the provisions of the Memorandum of Association and Articles of Association and the BCA, the Fund may increase or reduce its authorised shares, divide all or any of its shares into shares of a smaller amount or combine all or any of its shares into shares of a larger amount.
8. The Memorandum of Association and Articles of Association provide that unissued Shares are at the disposal of the Directors, who may allot, issue, grant options or warrants over, or otherwise dispose of such Shares in separate Classes with different terms, preferences, privileges or special rights, including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Fund, voting, fees charged, redemption privileges and allocation of costs and expenses, as the Directors may, in their absolute discretion, determine.
9. The Memorandum of Association and Articles of Association have been drafted in broad and flexible terms to allow the Directors the authority to determine, in their discretion, a number of issues. In approving the offering of Shares on the terms set out in this Offering Memorandum, the Directors have exercised a number of these discretions in accordance with the Memorandum of Association and Articles of Association.

## **RIGHTS OF THE MANAGEMENT SHARES**

The Management Shares have been issued with a par value of USD 1.00 each. The Management Shares do not participate in the profits and losses of the Fund and carry no right to dividends. Management Shares are not redeemable.

Except as described under "Variation of Class Rights" below, the holder of the Management Shares has the right to vote (to the exclusion of the holders of the Shares) in respect of all matters relating to the Fund.

## **RIGHTS OF THE SHARES**

The holders of Shares have no right to vote except as described under "Variation of Class Rights" below.

The holders of Shares are entitled to receive, to the exclusion of the holders of the Management Shares, any dividends that may be declared by the Fund. Also, on the winding up of the Fund, they will receive, by way of distribution, the full amount of the assets of the Fund in proportion to the aggregate Net Asset Value per Share of the Shares held by each of them. Within each Class, all Shares of the Fund have equal dividend, distribution, and liquidation rights.

The holders of Shares have the right to redeem their Shares on the terms set out in this Offering Memorandum and the Memorandum of Association and Articles of Association.

## **VARIATION OF CLASS RIGHTS**

The rights attaching to Shares of any Class, as described above, may only be modified with the consent in writing of Shareholders holding two-thirds of the Shares of the Class affected by the proposed modification or with the sanction of a resolution passed at a meeting of the holders of Shares of the Class affected by not less than two-thirds of the votes cast.

The rights attaching to the Shares shall be deemed not to be varied by the creation, allotment or issue of further Shares ranking *pari passu* with the Shares or ranking behind the Shares, the redemption or repurchase of any Shares, the passing of a Directors' resolution to change or vary the investment program, or any modification of the fees payable to any service provider to the Fund. For the avoidance of doubt, a Class in respect of which different levels of fees or allocations are payable or to which different redemption terms apply shall not be deemed to rank in priority to any other Class as regards Class rights or participation in the profits or assets of the Fund.

Seven days' prior notice will be given of any meeting of the holders of Shares of the relevant Class. The quorum will be one or more persons holding (or representing by proxy) not less than one-third of the issued Shares of the relevant Class. The Directors may treat two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration. At any meeting, each Shareholder is entitled, on a show of hands, to one vote on any matter presented to a meeting of Shareholders and on a poll, each Shareholder shall be entitled to one vote for each Share held.

## **VARIATION OF OFFERING TERMS**

Subject to applicable law and without the approval of any holders of Shares, the Fund may amend this Offering Memorandum to vary the offering terms applicable to any Shares (as distinct from modifying Class rights attaching to those shares, as discussed above) in any of the following ways:

- (a) by making any change that the Directors consider will not adversely affect the Shareholders in any material respect; or
- (b) by making any change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any applicable regulator, court of competent jurisdiction, government or government entity (including any tax authority). However, that change must be made in a manner that minimises, to the extent practicable as determined by the Directors, any adverse effect on the Shareholders; or
- (c) by making any change that is necessary or desirable to reflect any amendments, modifications or revocations of any applicable laws and regulations;
- (d) by making any change that the Directors consider is likely to adversely affect the Shareholders in a material respect (including amendments to the investment program, fees charged to the Fund by service providers and the liquidity terms of the Shares). However, that amendment does not become effective until after the affected Shareholders have been given prior written notice of the change and have had the opportunity, following receipt of that notice, to request the redemption of their Shares so affected. If they request that those Shares be redeemed, the Fund must do so.

Furthermore, the Fund may amend this Offering Memorandum to vary the offering terms applicable to the Fund generally or any Class in particular with the consent of the Shareholders owning a majority by value of all outstanding Shares attributable to the Fund or the Class, as applicable, at the time of the amendment provided that such amendment does not discriminate amongst Shareholders of the Fund or the Class, as applicable. A meeting so convened will generally follow the provisions of the Memorandum of Association and Articles of Association relating to general meetings amended as necessary by the Directors notwithstanding that the Memorandum of Association and Articles of Association will not govern such meetings. If the

Fund seeks such approval from Shareholders, then following the giving of notice of the proposed amendment, the Fund shall request a response for or against the proposed amendment. The Fund shall deem a lack of response from a Shareholder to constitute the consent of such Shareholder to the amendment.