REVISED
NOVEMBER 2023

The Sample Digital Asset Limited Partnership

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD FEBRUARY 1, 20XX (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 20XX[1]

Note 1: The Sample Digital Asset Limited Partnership financial statements disclose a single year/period presentation. Generally, comparative financial statements for hedge funds are not required. Please discuss with the client/engagement partner/manager whether comparative statements are appropriate.

Note 2: Sample Digital Asset Limited Partnership is only for purposes of formatting and disclosure in financial statements. The amounts do not necessarily foot, crossfoot or agree to other financial statements or footnotes.

Note 3: LLC's, Trusts or other entity types should use the same Sample Digital Asset Limited Partnership formatting but change language (e.g., Members, Members' Capital) to that of the governing agreement of the entity.

[1]Present as appropriate, if financial statements are being presented as a full calendar year (i.e. "For the year ended December 31, 20XX")

Note 4: The Sample Digital Asset Limited Partnership financial statements are presented for a single entity; however, in cases where another entity is consolidated with the Partnership, use appropriate language to account for consolidated financial statements.

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[2] If not a condensed schedule of investments, change wording of title (i.e., Schedule of Investments).
[3] A statement of cash flows may not be required if the fund qualifies for exemption under FASB ASC 230.

[INDEPENDENT AUDITOR'S REPORT TO BE INSERTED]

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STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 20XX

ASSETS		
Investments in digital assets, at fair value (cost $16,214,979) (1)	$	18,561,337
Investments in token agreements, at fair value (cost $20,000,000)		23,746,156
Investments in private companies, at fair value (cost $5,400,000)		6,770,690
Investments in other fund, at fair value (cost $50,000)		78,546
Investments in derivatives, at fair value (cost $9,244,311)		12,636,399
Cash[4]		4,824,210
Loaned digital assets receivable (cost $749,123)		682,128
Due from digital asset exchanges		4,809,422
Cash collateral posted with counterparty		350,000
Total assets	$	72,458,888
LIABILITIES		
Digital assets borrowed, at fair value (proceeds $3,000,000)	$	4,807,941
Loans payable		1,000,000
Subscriptions received in advance		12,750,000
Redemptions payable		9,673,032
Management fees payable[5]		156,456
Accounts payable		13,886
Interest payable		8,700
Total liabilities		28,410,015
PARTNERS' CAPITAL		44,048,873
Total liabilities and partners' capital	$	72,458,888

(1) Investments in digital assets includes assets posted for collateral of $181,166 at December 31, 20XX. See Note 4 for additional details.

4 FASB ASC 946-305-45-2 provides that amounts held in foreign currencies shall be disclosed separately at value, with acquisition cost shown parenthetically. If material, consult with client/engagement partner/manager regarding presentation. Also, consider "Cash and cash equivalents" if the entity holds money market mutual funds or other cash equivalents.

5 Fees should be captioned as they are labeled in the Limited Partnership Agreement or other applicable agreement (e.g., Advisory Agreement).

DECEMBER 31, 20XX

Description	Quantity	Fair Value	Percentage of Partners' Capital
Investments in digital assets			
International			
Bitcoin [1]	XXX	$ 6,477,090	14.70 %
Ethereum	XXX	4,708,918	10.69
Tether	XXX	2,556,611	5.80
USD Coin	XXX	2,309,947	5.25
Others [2] [3] [4] [6]		2,508,771	5.70
Total investments in digital assets (cost $16,214,979)		**$ 18,561,337**	**42.14 %**
Investments in token agreements [5]			
United States			
Technology			
Name of SAFT 1		$ 9,309,602	21.13 %
Name of SAFT 2		8,968,964	20.36
Others [4]		4,467,590	10.15
Total United States – Technology (cost $19,000,000)		22,746,156	51.64
Israel			
Technology (cost $1,000,000)		1,000,000	2.27
Total investments in token agreements (cost $20,000,000)		**$ 23,746,156**	**53.91 %**

(1) Includes $980,762 of digital assets which were purchased on margin.

(2) Includes $181,166 of digital assets that are held at a third party as loan collateral at December 31, 20XX.

(3) Includes the value of Curve Pool Tokens (CRV) that the Fund held at December 31, 20XX. Each CRV represents partial ownership in one Curve Pool. The value of each CRV is partially dictated by movement in the underlying tokens contained in the corresponding Curve Pool. Based on the Fund's proportionate share of CRV holdings as of December 31, 20XX, the Fund had estimated exposure to the following tokens which (in addition to the Fund's direct exposure to such tokens) exceed 5% of partners' capital of the Fund at December 31, 20XX:

Liquidity Pool Tokens	Fair Value	Percentage of Partners' Capital
USD Coin	$ 1,411,041	3.20%
USDT	699,274	1.59
Total	$ 2,110,315	4.79%

(4) No individual investment constitutes more than 5% of partners' capital.
(5) Assets represent Simple Agreements for Future Tokens (SAFTs) entitling the Partnership the right to a predetermined amount of tokens at asset launch.
(6) Includes $XXX,XXX of digital assets that are staked as of December 31, 2022. See Note 1.L.

Note 1: See FASB ASC 946-210-50 for specific disclosure requirements. See also TPA 6910.16, 6910.17 and 6910.18 and AICPA Audit Guide "Audits of Investment Companies" for disclosure requirements. Individual investments constituting greater than 5% of net assets should be presented separately. When determining geographic location of investments, consider where the company's principal business takes place.

Note 2: Please consult with client/engagement partner/manager, as applicable to determine each engagement's specific method of presentation.

CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

DECEMBER 31, 20XX

Description	Quantity	Fair Value	Percentage of Partners' Capital
Investments in private companies			
Private preferred stock			
United States			
Technology (cost $100,000)		$ 1,470,690	3.34 %
Simple agreement for future equity (SAFE)			
United States			
Technology			
Name of SAFE 1 [(1)]			
(cost $5,300,000)	1	$ 5,300,000	12.03 %
Total investments in private companies (cost $5,400,000)		$ 6,770,690	15.37 %
Investment in other fund			
United States (cost $50,000)		$ 78,546	0.18 %
Investments in derivatives			
Purchased options on digital assets			
International			
Bitcoin call options			
(exp. XX/XX/XXXX - XX/XX/XXXX)			
(cost $9,240,311)	XXX	$ 10,636,399	24.15 %
Purchased warrants			
United Kingdom			
Technology (cost $4,000)		2,000,000	4.54 %
Total investments in derivatives (cost $9,244,311)		$ 12,636,399	28.69 %
Digital assets borrowed			
International			
XRP [(2)]	XXXXX	$ (2,309,947)	(5.24) %
Others [(3)] [(4)]		(2,497,994)	(5.68) %
Total digital assets borrowed (proceeds $3,000,000)		$ (4,807,941)	(10.92) %

(1) Asset in the form of a Simple Agreement for Future Equity entitling the Partnership to a predetermined amount of shares of preferred stock in the form of a token at the launch of the token.

(2) Includes digital assets with a fair value of $452,889 that have been sold short.

(3) Includes digital assets with a fair value of $987,109 that have been sold short.

(4) No individual investment constitutes more than 5% of partners' capital.

Note 1: Disclosure of proportionate share of individual underlying securities of other funds in excess of 5% of NAV should be made in the condensed schedule of investments or in a note to the schedule in accordance with requirements of FASB ASC 946-210-50-9. (See also TPA 6910.30.) If information is not available concerning investments owned or sold short by investee funds, that fact should also be disclosed in a note to the condensed schedule of investments (FASB ASC 946-210-50-10). See also Note 5 for additional disclosure requirements/considerations for investments in other funds.

STATEMENT OF OPERATIONS

FOR THE PERIOD FEBRUARY 1, 20XX (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 20XX

TRADING AND INVESTING GAINS (LOSSES)	
Net realized gain (loss)	$ (4,565,504)
Net change in unrealized gain (loss)	9,008,902
Net gain (loss) from trading and investing	4,443,398
NET INVESTMENT INCOME (LOSS)	
Investment income	
Staking income	325,250
Interest income	40,050
Other income	8,412
Total investment income	373,712
Expenses	
Management fee[5]	882,724
Professional fees	52,134
Operating expenses	50,774
Interest expense	9,876
Other expenses	1,535
Total expenses	997,043
Net investment income (loss)	(623,331)
NET INCOME (LOSS)	$ 3,820,067

Note: Voluntary and involuntary waivers are required to be disclosed as a reduction of total expenses and the terms of all such waivers should be disclosed in the notes to the financial statements. (FASB 946-20-50-7).

Note: Per FASB ASC 946-220-50-2, gains or losses arising from in-kind redemptions shall be disclosed. See Note 3. for an example of such disclosure.

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

FOR THE PERIOD FEBRUARY 1, 20XX (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 20XX

	Partners' Capital		
	General Partner	Limited Partners	Total
Balances at February 1, 20XX (commencement of operations)	$ 0	$ 0	$ 0
Subscriptions	1,545,000	48,911,230	50,456,230
Redemptions	(1,798,032)	(8,429,392)	(10,227,424)
Net income (loss) for the period February 1, 20XX (commencement of operations) through December 31, 20XX	195,619	3,624,448	3,820,067
General Partner incentive allocation[5]	1,798,032	(1,798,032)	0
Balances at December 31, 20XX	$ 1,740,619	$ 42,308,254	$ 44,048,873

STATEMENT OF CASH FLOWS

FOR THE PERIOD FEBRUARY 1, 20XX (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 20XX

Cash flows from operating activities		
Net income (loss)	$	3,820,067
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Net realized gain (loss)		4,565,504
Net change in unrealized gain (loss)		(9,008,902)
Purchases of investments (1)(2)(4)		(44,025,705)
Sales of investments (3)(4)(5)		19,314,969
Proceeds from investments sold short (4)		156,163
Payments to cover investments sold short (4)		(108,966)
Interest income (1)		(38,020)
Interest expense (5)		150
Staking income (1)		(325,250)
Other income (1)		(8,122)
Changes in operating assets and liabilities:		
Due from digital asset exchanges		(4,809,422)
Cash collateral posted with counterparties		(350,000)
Management fee payable		156,456
Accounts payable		13,886
Interest payable		8,700
Net cash provided by (used in) operating activities		(30,638,492)
Cash flows from financing activities		
Subscriptions (2), net of change in subscriptions received in advance		39,675,764
Redemptions (3), net of change in redemptions payable		(403,640)
Proceeds from loans [6]		2,000,000
Repayment of loans [6]		(1,000,000)
Net cash provided by (used in) financing activities		40,272,124
Net increase (decrease) in cash		9,633,632
Cash		
Beginning of period[7]		0
End of period[7]	$	9,633,632
End of period[7] cash consists of:		
Cash	$	4,824,210
Due from digital asset exchanges		4,809,422
Total cash	$	9,633,632
Supplemental disclosure of noncash financing activities		
Contribution of digital assets, at fair value (2)	$	23,530,466
Redemptions of digital assets, at fair value (3)	$	(150,752)
Collateral posted with counterparties	$	(7,298,328)
Collateral returned from counterparties	$	7,117,162
Proceeds received from digital asset loans	$	4,963,381
Repayment of digital asset loans	$	(4,137,317)
Supplemental cash flow information		
Interest Paid (5)	$	1,026

(1) During the period, the Partnership received staking income of $325,250, interest income of $38,020, and other income of $8,122, in the form of digital assets. Such amounts were translated to U.S. dollars on the relevant transaction date and excluded from the purchase of investments.

(2) Subscriptions of $23,530,466 were received in the form of digital assets; and as such, subscriptions and purchases of investments in digital assets are net of this amount.

(3) Redemptions of $150,752 were paid in the form of digital assets; and as such, redemptions and sales of investments are net of this amount.

SEE OTHER STATEMENT OF CASH FLOWS FOOTNOTES ON THE FOLLOWING PAGE.

[6] Include only cash proceeds and repayments on loans. Disclose non-cash proceeds and repayments in the supplemental disclosure of noncash financing activities.

[7] Caption as appropriate (i.e., year or period)

FOR THE PERIOD FEBRUARY 1, 20XX (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 20XX

(4) During the period February 1, 20XX (commencement of operations) through December 31, 20XX, there were digital assets traded for other digital assets, digital assets borrowed and digital assets sold short and such amounts were translated to U.S. dollars, totaling $12,163,778, and are excluded from the purchases and sales of investments and proceeds from and purchases to cover investments sold short [8]

(5) During the year, the Partnership paid interest in the form of digital assets that was translated to U.S. dollars on the relevant transaction date, totaling $150, and excluded from the sales of investments.

Note 1: A statement of cash flows is frequently required for hedge funds given liquidity constraints of certain types of investments (consider illiquidity from investments in other funds and illiquidity of thinly traded securities); however, if a fund meets the criteria for exemption in FASB ASC 230, the statement is not required. Additional guidance regarding the exemption provisions of FASB ASC 230 is found in TPA 6910.25, "Consideration in Evaluating Whether Certain Liabilities Constitute "Debt" for Purposes of Assessing Whether an Investment Company Must Present a Statement of Cash Flows."

Note 2: Additional supplemental disclosure of income taxes paid and non-cash investing and financing activities may be required.

Note 3: Line item descriptions should be consistent with those in the other financial statements.

Note 4: Change "Cash" to "Cash and Cash Equivalents" if the Fund holds cash equivalents.

[8] Alternative wording that can be used if digital assets traded for other digital assets are included within the purchases and sales of investments and disclosure of the amount in U.S. dollars is not deemed to be a material disclosure: "During the period February 1, 20XX (commencement of operations) through December 31, 20XX, there were digital assets traded for other digital assets, digital assets borrowed and digital assets sold short and such amounts were translated to U.S. dollars and included in the purchases and sales of investments and proceeds from and purchases to cover investments sold short."

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Description of the Partnership

The Sample Digital Asset Limited Partnership (the Partnership) is a Delaware limited partnership, which was formed on December 1, 20XX and commenced operations on February 1, 20XX.[9] The Partnership was organized for the purpose of trading and investing in blockchain assets, including, but not limited to, digital assets, such as Bitcoin, and token agreements (collectively, Digital Assets) and private investments in entities engaged in activities related to blockchain assets.[10] The Partnership is managed by Sample Digital Asset GP, LLC (the General Partner) and Sample Investment Manager, LLC (the Investment Manager).[11]

B. Method of Reporting

The Partnership's financial statements are presented in U.S. dollars, as that is the currency of the primary economic environment in which the Partnership operates, and are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification) is the single source of U.S. GAAP.

The Partnership is an investment company that follows the accounting and reporting guidance of the *Financial Services – Investment Companies* Topic of the Codification.

U.S. GAAP contains no authoritative guidance related to the accounting for digital assets for investment companies. As a result, transactions of digital assets have been accounted for analogizing to existing accounting standards that management believes are appropriate to the circumstances. There can be no certainty as to when the FASB or other standards setter will issue accounting standards for digital assets for investment companies, if at all.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during General Partner in the preparation of the financial statements include the valuation of certain private digital assets and investments in private companies. Because of the inherent uncertainty of valuation, the estimates of fair value may differ significantly from the fair value that would have been used had a ready market for such financial instruments existed, and the differences could be material.[12]]

[Pursuant to the *Statement of Cash Flows* Topic of the Codification, the Partnership qualifies for an exemption from the requirement to provide a statement of cash flows and has elected not to provide a statement of cash flows.[13]]

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9 Disclose date formed and/or date the fund commenced operations if within the financial statement periods presented.
10 Use appropriate language regarding specific nature of fund's operations with primary focus on instruments traded.
11 If the Partnership is a Master Fund add language similar to the following:
"The Partnership has been formed to function as a "master fund" to invest the assets of the members of The Sample Onshore Feeder Fund, LLC, a Delaware limited liability company, and the shareholders of The Sample Offshore Feeder Fund, Ltd., a Cayman Islands exempted company. Sample Management, Inc., an affiliate of the General Partner, is the Managing Member of The Sample Onshore Feeder Fund, LLC and the Trading Advisor of The Sample Offshore Feeder Fund, Ltd."
12 Include if a high degree of estimation risk is involved, and revise, as applicable.
13 Include if the Fund is exempted by ASC 230-10-15-4 and elects not to present a cash flow statement.

Note: This example assumes the entity is domiciled in the U.S. Revise language in Note 1.A. as necessary for foreign entities. Example language for Cayman entity is as follows:

"The Partnership is a Cayman Islands exempted company which operates as a regulated mutual fund under the mutual funds law of the Cayman Islands. The Partnership is subject to the supervision of the Cayman Islands Monetary Authority, an agency of the Cayman Islands government which regulates most aspects of Cayman Islands mutual funds."

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Method of Reporting (continued)

[19] [The Partnership consolidates all wholly-owned and controlled entities over which it exercises majority influence concerning the operating, financial and investing decisions. Accordingly, the Partnership consolidates its wholly-owned entity, Sample Digital Asset Fund, Ltd., a Cayman Islands exempted company. All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.]

C. Cash[14]

Cash represents cash deposits held at a major U.S. financial institution and is subject to credit risk to the extent its balance exceeds the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations. As of December 31, 20XX, the Partnership held $4,574,210 in excess of the limit of $250,000, which is subject to loss should the bank cease operations.

D. Due from Digital Asset Exchanges[15]

Due from digital asset exchanges represents cash held at digital asset exchanges. The Partnership is subject to credit risk to the extent an exchange with which it conducts business is unable to fulfill contractual obligations on its behalf.

As of December 31, 20XX, there was a cash balance of $4,809,422 held at various exchanges which are not insured by the FDIC. The Partnership's management monitors the financial condition of those counterparties and does not anticipate losses from these counterparties.

E. Digital Asset Translation

Digital asset balances are reported at fair value in U.S. dollars as of the reporting date. Transactions in digital assets, including the purchase and sale of investments and items of income and expense, are translated into U.S. dollar amounts as of the relevant transaction date. Gains and losses arising from digital asset transactions and translation are included within net realized gain (loss) and net change in unrealized gain (loss) in the statement of operations.

F. Investment Transactions and Valuation[15,16]

Investment transactions and related investment income

Investment transactions are accounted for on a trade-date basis. Interest income and interest expense are recorded on the accrual basis.

[14] If the Fund holds cash equivalents, disclose the Fund's accounting policy for determining which items are treated as cash equivalents.
[15] Revise, as applicable
[16] The valuation policy for investments should be specific to the Partnership's valuation policies, as specified in the Agreement of Limited Partnership or other governing agreements/documents

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investment Transactions and Valuation (continued)[15,16]

Investments in digital assets

Digital asset transactions are recorded when the Partnership has obtained control over the digital asset when purchased or has transferred control of the digital asset when sold. In determining when control of the digital asset has been obtained or transferred, the Partnership evaluates when it or the counterparty has the ability to direct the use of, and obtain substantially all of the benefits of the digital asset.

The Partnership derecognizes a digital asset when the risks and rewards of ownership of the asset expire or are transferred and the Partnership no longer has rights to the digital asset. On derecognition, the difference between the carrying value of the asset (or the carrying value allocated to the portion of the asset that is derecognized) and the consideration received (including the fair value of the new assets obtained less any new liabilities assumed) is determined using the identified cost method and recognized as realized gain or loss on the statement of operations. Commissions and other trading fees charged by digital asset exchanges and custodians are considered expenses and are included in other expenses in the statement of operations. Mining fees associated with digital asset deposits and withdrawals are reflected as an adjustment to cost or proceeds at the time of the transaction.

The Partnership's investments in digital assets are stated at fair value. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in either the principal market or the market with the greatest volume and level of activity for the asset or liability. The process that the Partnership developed for identifying a principal market begins by identifying publicly available, well established and reputable digital asset exchanges and then calculating on each valuation period, the highest volume exchange for each asset. In evaluating the markets that could be considered principal markets, the Partnership considered whether or not the specific markets were accessible to the Partnership, either directly or through an intermediary, at the end of each period. Digital assets are generally valued using the price reported by a digital asset price aggregator as of 11:59 pm UTC on the valuation date, although the General Partner has substantial discretion in determining the value of the Partnership's assets. The General Partner has determined that the use of a price aggregator more reliably and consistently represents fair value. Furthermore, the General Partner analyzes the variances between the principal market and the pricing aggregator, on each valuation period, to ensure that the use of a price aggregator approximates the principal market with no material differences. While some digital assets are valued based on prices reported in the public markets, other digital assets may be more thinly traded or subject to irregular trading activity. Determinations on the value of certain digital assets, and how to value such assets as to which limited prices or quotations are available, are based on the General Partner's recommendations or instructions.

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investment Transactions and Valuation (continued) [15,16]

Investments in digital assets (continued)

[19] Rebasing investments

During 20XX, the Partnership held certain investments whose supply expands and contracts in response to the market price's deviation from a hard-coded target price, in order to provide a stable price. The investment quantity amount is split into a new number of tokens each day in order to achieve the stable price ("rebasing"). As a result, the cost associated with this investment remains stable; however, the cost per token expands and contracts with each day's rebasing. Gains and losses generated by rebasing investments are included in change in unrealized gain (loss) on the statement of operations.

[19] Liquidity pools

The Partnership contributes to various liquidity pools, which exist on decentralized platforms as automated liquidity providers, powered by smart contracts on the Ethereum blockchain. The Partnership initiates its investment into a liquidity pool by providing one or more digital assets to the pool in return for a liquidity pool token. At any point in time the Partnership may return all or a portion of its liquidity pool tokens in exchange for the Partnership's proportionate ownership of the underlying liquidity pool assets. When users buy and sell from the liquidity pool smart contract, they are charged a transaction fee on the asset paid. These transaction fees add to the underlying pool's assets and will be allocated to the liquidity providers when they exchange their liquidity pool token. Liquidity pool tokens are not locked up and can be exchanged at any time for the underlying assets. The Partnership recognizes a realized gain or loss on the digital asset provided to the pool at the time of contribution. Additionally, upon redemption from the pool a realized gain or loss is recognized on the investment in the pooled token based on the proceeds received from such redemption. The General Partner has determined to value liquidity pool tokens based on the underlying liquidity pool assets and the Partnership's proportionate ownership of the underlying liquidity pool assets. The underlying liquidity pool assets consist primarily of digital assets which are generally valued using the last reported price by a digital asset price aggregator as of 11:59 pm UTC on the valuation date, although the General Partner has substantial discretion in determining the value of the Partnership's digital assets.

[19] Yield farming

During the period ended December 31, 20XX, the Partnership participated in yield farming transactions. Yield farming occurs when the Partnership invests in a liquidity pool (LP) and then stakes the LP token in return for rewards in the form of digital assets. The rewards earned through yield farming for the period ended December 31, 20XX from these activities totaled approximately $XXX,XXX, which is included in other income[15] in the statement of operations. The fair value of such liquidity pool tokens staked at December 31, 20XX is $XXX,XXX.

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investment Transactions and Valuation (continued) [15,16]

Investments in token agreements

The Partnership recognizes the conversion of Simple Agreements for Future Tokens (SAFTs), convertible notes, and other token agreements to tokens on either the initial date that tokens are received or when a conversion event occurs, such as a main network launch or the date the tokens are first available to the Partnership. The original cost basis of the SAFT is retained by the tokens received. Any variance between the fair value of the tokens received at conversion and the original cost basis of the SAFT is recognized as an unrealized gain or loss and are reported in the statement of operations.

The Partnership's investments in token agreements are stated at fair value. The General Partner has determined to value certain digital assets that are token agreements at cost. The General Partner has determined that there have been no material developments related to these token agreements and therefore cost is representative of fair value. The General Partner has determined to value certain token agreements by applying a discount for the lack of marketability to an observable last reported sales price of a contract representing a commitment for the future purchase or sale of the digital asset at a specific date. To support the discount for lack of marketability, the General Partner may take into consideration the use of an option pricing model that is sensitive to certain key assumptions, such as volatility and time to exit, that are unobservable. The General Partner exercises significant judgment in determining the fair value of such investments by taking into consideration multiple variables, which may include unobservable market data and/or assumptions, for updating valuations on a quarterly basis, and thus believes the reported valuation represents fair value.

19 *Investments in derivatives*

The Partnership's investments in derivatives are stated at fair value. Changes in the fair value of derivative contracts are recorded as unrealized gains and losses; gains or losses are realized when contracts are liquidated or expire.

The Partnership traded digital asset options on *DA Exchange5* and with *Counterparty6*. The *Counterparty6* options are physically settled, and the Partnership values them using the midpoint of the contract's bid/ask (utilizing data that is readily available from *Counterparty6*) at month-end. The options traded with *Counterparty6* are bilateral options between the Partnership and *DA Exchange5*. These options are European style and deliverable in the underlying asset. The price of these options are marked at month-end using prices provided by *DA Exchange5* based on a Black Scholes pricing model with implied volatilities that are drawn from market conditions and liquid options exchanges.

The Partnership values OTC warrants using the Black-Scholes option pricing model, which takes into account the contract terms (including the strike price and contract maturity) and multiple inputs (including time value, volatility, equity prices, interest rates, and currency rates).

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investment Transactions and Valuation (continued) [15,16]

19 *Investments in derivatives (continued)*

[Futures contracts are valued based on the difference between contract purchase price and the fair value. Forward contracts are valued based upon the difference between the contractually agreed upon forward rate and the current price of the underlying currency as of the valuation date. Unrealized gains and losses are recorded in the statement of financial condition. A realized gain or loss occurs on contracts which have been settled. The change in unrealized gains and losses and realized gains and losses are included in net realized and unrealized gains (loss) on the statement of operations.]

19 *Investments in private companies*

The Partnership's investments in private companies are stated at fair value as determined by the General Partner. The General Partner has determined to value certain investments in private companies at cost, net of transaction costs. The General Partner has determined that there have been no material developments related to these investments and therefore cost is representative of fair value. When evidence supports a change in carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. Ongoing reviews by the General Partner are based on an assessment of trends in the performance of each underlying investment, the stage in the life cycle of the investment and trends in the performance of the investment as of the measurement date. The General Partner exercises significant judgment and uses the best information available as of the measurement date. Due to the inherent uncertainty of valuations, the fair values reflected in the financial statements as of the measurement date may differ from: (1) values that would have been used had a readily available market existed for those investments and (2) the values that may be ultimately realized.

Inputs used to determine fair value may include valuation multiples applied to corresponding performance metrics, such as earnings before interest, taxes, depreciation, and amortization (EBITDA), revenue or net earnings. The selected valuation multiples were estimated through a comparative analysis of the performance and characteristics of each investment within a range of comparable companies or transactions in the observable marketplace. In addition, recent merger and acquisition transactions of comparable companies may be used as a basis to develop implied valuation multiples. Investment valuations may also consider factors such as liquidity, credit, and market risk factors of the portfolio company.

The General Partner may estimate a valuation for an investment based on references to third-party investments in comparable equity securities of the company, examination of transactions in equity securities of comparable companies and direct comparisons to similar companies. The General Partner will consider (1) current average or median comparable public company multiples for similar companies in the industry; (2) current average or median multiples for recent private transactions of similar companies in the industry; or (3) the original acquisition multiple, when no other similar public or private multiples can be ascertained, assuming the original acquisition multiple is still relevant based on other economic factors. The General Partner will exercise its judgment in determining whether the company's operating performance metrics are maintainable and relevant, and the General Partner will exercise its judgment to adjust performance metrics for pro forma, one-time and non-recurring items.

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investment Transactions and Valuation (continued) [15,16]

20 *Investments in other funds*

Investments in other investment companies are reported at fair value. As a practical expedient, fair value ordinarily represents the Partnership's proportionate share of each other fund's net asset value determined for each fund in accordance with such fund's valuation policies and reported at the time of the Partnership's valuation by the management of the other fund. Generally, the fair value of the Partnership's investment in another fund represents the amount that the Partnership could reasonably expect to receive from such fund if the Partnership's investment were redeemed at the time of valuation, based on information reasonably available at the time the valuation is made and that the Investment Manager believes to be reliable. The Partnership records its proportionate share of private funds' income or loss in the statement of operations.[17]

G. Income Taxes

18 The Partnership prepares and files calendar year U.S. and applicable state information tax returns and reports to the partners their allocable shares of the Partnership's income, expenses and trading gains or losses. No provision for income taxes has been made in these financial statements as each partner is individually responsible for reporting income or loss based on its respective share of the Partnership's income and expenses as reported for income tax purposes. [15]

The Partnership has elected an accounting policy to classify interest and penalties, if any, as interest expense. The General Partner has concluded there is not tax expense or interest expense related to uncertainties in income tax provisions for the period February 1, 20XX (commencement of operations) through December 31, 20XX.

19 H. Foreign Currency Transactions

The Partnership's functional currency is the U.S. dollar; however, it transacts business in currencies other than the U.S. dollar. Assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollars at the rates in effect at the date of the statement of financial condition. Income and expense items denominated in currencies other than the U.S. dollar are translated into U.S. dollars at the rates in effect during the period. Gains and losses resulting from the translation to U.S. dollars are reported in income currently.

20 I. Capital Accounts

The Partnership accounts for subscriptions, allocations and redemptions on a per partner capital account basis. Income or loss prior to the management fee and incentive allocation to the General Partner is allocated pro rata to the capital accounts of all partners. Each Limited Partner is then charged their applicable management fee. The incentive allocation applicable to each Limited Partner is allocated to the General Partner's capital account from such Limited Partner's capital account.[21]

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17 Include previous sentence if g/l from other funds is shown as 1 line item, "Income from other funds".

18 Revise if the Partnership does not prepare and file U.S. federal or state tax returns or if no state information tax returns are prepared and filed, etc. If an offshore fund that has elected to be treated as a Partnership for U.S. federal income tax purposes, consider wording similar to the following: "The Fund is not subject to taxation in the Cayman Islands, the U.S., or any other jurisdiction. However, the Fund has elected to be treated as a partnership for U.S. federal income tax purposes. Accordingly, the Fund prepares calendar year U.S. and applicable state information tax returns and reports to its shareholders their allocable shares of the Fund's income, expense and trading gains or losses."

19 Use only if applicable

20 Use only if capital account fund. Add any additional disclosure in this footnote required by FASB ASC 505-10-50-3 (e.g., preferential allocation, etc.) or to describe any unique allocations provisions (e.g., allocation methodology for multi-class funds)

21 Revise to reflect exact allocation methodology of the Partnership including each stage in the income (loss) allocation process (e.g., share classes, etc.).

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[22] J. Redemptions Payable

[23] Redemptions payable at December 31, 20XX, represents redemptions approved by the General Partner prior to January 1, 20X1, which were not effective until January 1, 20X1. These redemptions have been recorded as redemptions and redemptions payable at December 31, 20XX, in accordance with the provisions of the *Liabilities* Topic of the Codification.

K. Hard Forks and Airdrops

The Partnership generally records receipt of a new digital asset created due to a hard fork at the time the hard fork is effective; however, the General Partner has sole discretion whether or not to claim the digital asset resulting from the hard fork. Some exchanges do not honor hard forks or may honor hard forks in the future. In such cases, the Partnership will record receipt of the new digital asset at the time the exchange announces it will credit the Partnership's account. The Partnership does not allocate any of the original digital asset's cost to the new digital asset and recognizes unrealized gains equal to the fair value of the new digital asset received. The new digital asset is subsequently valued at fair value in accordance with the Partnership's valuation policy. .

The Partnership regularly receives "airdrops" of new digital assets. The use of airdrops is generally to promote the launch and use of new digital assets by providing a small amount of such new digital assets to the private wallets or exchange accounts that support the new digital asset and that hold existing related digital assets. Unlike hard forks, airdropped digital assets can have substantially different blockchain technology that has no relation to any existing digital asset. The Partnership generally records receipt of airdropped digital assets when received; however, the General Partner has sole discretion whether or not to claim the digital asset resulting from the airdrop. Digital assets received from airdrops have no cost basis, and the Partnership recognizes unrealized gains equal to the fair value of the new digital asset received. [**OR** Income received by means of airdrops is recorded when received and is included in Hard forks and airdrops income in the statement of operations.] For the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership did not receive any material airdrops.

[22] Under provisions of FASB ASC 480, liabilities should be recognized when redemption requests, which are to be effective in future periods, have been approved by the General Partner on or before December 31, 20XX, provided both the date and amount of the redemption are fixed (or where the amount of the redemption on a fixed date is determined by reference to an external index) (FASB 480-10-15-7A).

[23] Include only if applicable.

Note 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

19, 15 L. Staking

During the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership participated in staking activities, which required the Partnership to post certain digital assets for a period of time to a staking address and earned a staking reward for validating transactions. [During the period, the Partnership also utilized Coinbase Cloud, a third-party staking service to produce additional staking income for its investors, by delegating digital assets to be locked for a period of time to a validator address controlled by Coinbase Cloud in return for staking rewards “in-kind” for validating transactions.] Staking income is recognized on an accrual basis at the fair value of the digital assets when earned, or when the block creation or validation is complete, and the Fund is entitled to such digital asset staking rewards. Rewards earned during the period February 1, 20XX (commencement of operations) through December 31, 20XX from staking activities totaled $325,250, and is reported in the statement of operations as staking income.

The following table presents the fair value of digital assets staked at December 31, 20XX and the respective unlock/unbond period.

Asset	Fair Value at December 31, 20XX	Unlock/Unbond period
ETH	$XXX	Indefinite**
NEAR*	100,000	48 hours
ROSE*	100,000	14 days
SOL*	400,000	48 hours
XTZ*	50XX	72 hours

*See the condensed schedule of investments for the fair values of digital assets included in Others.
**ETH 2.0 is locked until the blockchain upgrade has been fully completed.

Note 2. RELATED PARTY TRANSACTIONS[24]

The Partnership considers the General Partner and the Investment Manager, their principal owners, members of management, and members of their immediate families, as well as entities under common control, to be related parties to the Partnership. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

The General Partner receives a management fee from the Partnership as of the first business day of each month in advance equal to 0.167% (2.0% annually) of each Limited Partner’s total capital account balance in the Partnership. At the General Partner’s discretion, certain Limited Partners may be charged a reduced management fee.

[24] Conform language to Limited Partnership Agreement, Private Placement Memorandum or Advisory Agreement, as applicable.

Note 2. RELATED PARTY TRANSACTIONS (CONTINUED)[24]

In accordance with the Limited Partnership Agreement (the "Agreement"), profits and losses of the Partnership are allocated to partners at the end of each monthly period in proportion to their capital accounts at the beginning of the month. Subject to certain limitations, generally 20% of the net profits allocated to the Limited Partners is reallocated to the General Partner (the "Incentive Allocation"). The Incentive Allocation is allocable at the end of each calendar quarter or upon withdrawal of all or part of a limited partner's capital. Incentive allocations are subject to a high water mark provision as defined in the Agreement. At the General Partner's discretion, certain Limited Partners may not be charged an Incentive Allocation. During the period February 1, 20XX (commencement of operations) through December 31, 20XX, an Incentive Allocation of $1,798,032 was made from the Limited Partners to the General Partner.

During 20XX, the Partnership entered into purchase and sale of digital assets transactions with an affiliated entity also managed by the General Partner. Total purchases and sales at fair value of approximately $281,200 and $175,360, respectively, were made with this related party and were deemed to be arm's length transactions and at prices consistent with orderly transactions between unrelated market participants. Transactions with related parties resulted in net gains (losses) of $126,000 and are included in net realized gain (loss) in the statement of operations.

Certain Limited Partners are affiliated with the General Partner. The aggregate value of the General Partner's and affiliated Limited Partners' share of the Partnership capital as of December 31, 20XX was $5,356,545.

Note 3. SUBSCRIPTIONS, DISTRIBUTIONS AND REDEMPTIONS[25]

The minimum initial investment in the Partnership is currently $1,000,000 and the minimum additional subscription is $100,000. The General Partner, in its sole discretion, may accept investments of a lesser amount. The Partnership may accept such amounts as of the first business day of any calendar month or at such other times as the General Partner may permit.

The General Partner may, at its sole discretion, accept digital assets ("In-Kind Investments") in lieu of, or in addition to, cash as payment for investment in the Partnership. Such In-Kind Investments are valued using a digital asset price aggregator as of 11:59 pm UTC on the date prior to the effective date of the subscription. During the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership accepted In-Kind Investments from the General Partner and Limited Partners of $1,234,567 and $22,295,899, respectively.

Subscriptions received in advance represents amounts received from Limited Partners in 20XX for subscriptions with an effective date after December 31, 20XX.

Generally, after the twelve-month anniversary of the investment, a Limited Partner may request and receive all or a portion of its capital account balance as of the last business day of any calendar quarter, or such other date as the General Partner may determine in its discretion, provided that the Partnership receives at least 60 days prior written notice of such redemption. The General Partner, in its sole discretion, may reduce or waive this notice period. The General Partner has discretion to suspend redemption rights if it determines that redemptions would have a material adverse effect on the Partnership or to postpone payment of redemptions in emergency situations. Since the Partnership's inception, redemptions have never been suspended or postponed.

[25] Revise as necessary in accordance with the governing documents. Cohen & Company believes that disclosing redemption provisions and any restrictions on redemptions represents a best practice.

Note 3. SUBSCRIPTIONS, DISTRIBUTIONS AND REDEMPTIONS (CONTINUED)[25]

The General Partner expects to pay redemption proceeds in U.S. dollars, but it may, at its sole discretion, pay redemptions in digital assets ("In-Kind Redemptions"). During the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership made In-Kind Redemptions to the General Partner and Limited Partners of $0 and $150,752, respectively. Realized gains arising from the In-Kind Redemptions amounted to approximately $1,500 during the period February 1, 20XX (commencement of operations) through December 31, 20XX and are included in net realized gain (loss) on the statement of operations.[26]

The General Partner, in its sole discretion, may designate certain investments that lack a readily available market value or are not freely transferrable as a Side Pocket Investment. At the discretion of the General Partner, a portion of Limited Partners' capital accounts attributed to a Side Pocket Investment may be converted to a side pocket account, which is not redeemable until those Side Pocket Investments are sold or deemed to be freely transferrable. Only the Limited Partners who are invested in the Partnership at the time Side Pocket Investments are designated will participate pro rata in the income or loss associated with the Side Pocket Investments. Management fees and Incentive Allocations are charged, but not earned by the General Partner until the Side Pocket Investments become liquid and are transferred out of the side pocket account. At December 31, 20XX, the Partnership has approximately $XX,XXX,XXXX of capital that is locked up from redemptions due to Side Pocket Investments.

Note 4. LOANS

19 *Assets loaned*

During the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership entered into multiple loan agreements with Sample Loan Counterparty 1 Ltd. ("Counterparty 1") where, from time to time, the Partnership will lend digital assets or cash to Counterparty 1. Pursuant to the loan agreements, in exchange for the loaned digital assets, the Partnership earned interest income during the period February 1, 20XX (commencement of operations) through December 31, 20XX between X% and X% annually. If a hard fork occurs related to an asset loaned, Counterparty 1 is obligated to repay the new asset to the Partnership as soon as possible. The digital asset loan agreements entered into during the period February 1, 20XX (commencement of operations) through December 31, 20XX with Counterparty 1 where the Partnership is the lender are all fixed-term and have varying maturity terms between one month and one year.

As of December 31, 20XX, the Partnership had the following digital assets on loan to Counterparty 1, which is included in loaned digital assets receivable in the statement of financial condition, with changes in fair value of the digital assets loaned reflected in net change in unrealized gain (loss) in the statement of operations:

Description	Quantity	Fair Value	Percentage of Partners' Capital
Loaned digital assets			
International			
Bitcoin (cost $749,123)	28.28	$ 682,128	1.55 %

26 Per FASB ASC 946-220-50-2, gains or losses arising from in-kind redemptions shall be disclosed.

Note 4. LOANS (CONTINUED)

19 *Borrowings and related collateral*

During the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership entered into multiple loan agreements with Sample Loan Counterparty 2 Ltd. ("Counterparty 2") and Sample Loan Counterparty 3 Ltd. ("Counterparty 3" and collectively, the "Lenders") where, from time to time, the Partnership will borrow digital assets or cash from the Lenders. Pursuant to the loan agreements, in exchange for the digital assets borrowed, the Partnership paid interest during the year between X% and X% annually. If a hard fork occurs related to an asset borrowed, the Partnership is not obligated to repay the new asset to the Lender and the Partnership records receipt in accordance with its hard fork policy. Certain agreements require the Partnership to pledge an agreed amount of cash or digital assets to the lender, the fair value of which, at all times, is required to be at least an agreed upon value compared to the value of the borrowed asset. For those agreements requiring collateral, this fluctuated during the period February 1, 20XX (commencement of operations) through December 31, 20XX between XXX% and XXX% of the loaned asset's value, which equaled an amount between $XXX and $XXX. If the fair value of the collateral declines relative to the borrowed asset, the Partnership may be required to post additional collateral to the lender. If a hard fork occurs related to an asset paid as collateral to the Lender, the Lender is obligated to repay the new asset to the Partnership as soon as possible. The digital asset loan agreements entered into during the period February 1, 20XX (commencement of operations) through December 31, 20XX with the Lenders are all fixed-term and have varying maturity terms between one month and one year.[27]

During the period February 1, 20XX (commencement of operations) through December 31, 20XX, the Partnership also participated in trading on margin. Gains and losses on open margin trades and settled margin trades are included in net change in unrealized gain (loss) and net realized gain (loss), respectively, on the statement of operations.

As of December 31, 20XX, the Partnership has $4,807,941 of digital assets payable to the Lenders which are included in digital assets borrowed in the statement of financial condition. Digital assets borrowed with a fair value of $1,439,998, have been sold short, whereas digital assets borrowed with a fair value of $3,367,943, have not been sold short. Additionally, at December 31, 20XX, the Partnership has $350,000 of cash and $181,166 of digital assets held at the Lenders as loan collateral which are included in cash collateral posted with counterparty and investments in digital assets, respectively, in the statement of financial condition. The Partnership also has $980,762 of digital assets purchased on margin, which is included in investments in digital assets on the statement of financial condition. The loan for margin trading totaled $1,000,000 at December 31, 201XX and is reflected as loan payable on the statement of financial condition.

Note 5. INVESTMENT IN OTHER FUND

The Partnership invests in another fund to gain access to a selected investment manager. This investment is subject to the terms of the related private placement memorandum of such other fund. Investments, redemption and liquidity provisions, and other relevant information with respect to the Fund's investment in another fund at December 31, 20XX is as follows:[28] [29]

[27] Collateral disclosure should include 1) A description of the type and amount of collateral posted by the borrower. 2) Any requirement for the borrower to pledge additional collateral during the term of the loan. 3) How the lending entity monitors its ability to liquidate the collateral in the case of the borrower's default. 4) Changes in the collateral's fair value during the term of the loan.

[28] FASB ASC 820-10-50-6A only requires those disclosures for the investments in other funds that are measured using the net asset value practical expedient. FASB ASC 820-10-50-6A requires these disclosures to be by class of investments. The investment objective and restrictions on redemption (liquidity) provisions required by FASB ASC 946-210-50-6 must be provided for each investment exceeding 5% of partners' capital.

[29] See FASB ASC 820-10-50-6A for complete disclosure requirements for investments in other funds and additional disclosure requirements in circumstances in which an otherwise redeemable investment might not be redeemable (e.g., lock-up or gate), disclosure of when redemption restrictions might lapse, other significant restrictions on the ability to sell an investment, etc.

Note 5. INVESTMENT IN OTHER FUND (CONTINUED)

	Fair value at December 31, 20XX	Unfunded commitments	Redemption notice period	Redemption frequency	Management fee rate	Incentive Fee rate
Other fund	$ 78,546	None	90 days	Quarterly	2%	20%

Any portion of the investment in such other fund that is invested in side pockets is restricted from being redeemed until a liquidation or realization event occurs. At December 31, 20XX, the Partnership's investment subject to restriction from redemption due to side pockets is $XXX.

Note 6. ADMINISTRATOR

Sample Crypto Admin Firm, Inc. (the "Administrator") serves as the Partnership's administrator and performs certain administrative and clerical services on behalf of the Partnership. The Administrator receives a fee for its services, and such fee is included in operating expenses[30] in the statement of operations.

Note 7. FAIR VALUE

Fair value, as defined in the *Fair Value Measurement* Topic of the Codification, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy, as set forth in the *Fair Value Measurement* Topic of the Codification, prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: quoted market prices in active markets for identical assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for an asset or liability (Level 3). If the inputs used to measure a financial instrument fall within different levels of the fair value hierarchy, the categorization is based on the lowest level input that is significant to the measurement of that financial instrument.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Partnership in determining fair value is greatest for investments categorized in Level 3.

[30] Revise as necessary.

Note 7. FAIR VALUE (CONTINUED)

The following summarizes the Partnership's assets and liabilities[31] accounted for at fair value at December 31, 20XX.[32,33]

Description	Level 1	Level 2	Level 3	Practical Expedient	Total
Assets					
Digital assets	$ 18,544,791	$ 16,546	$ 0	$ 0	$ 18,561,337
Token agreements	0	0	23,746,156	0	23,746,156
Private companies	0	0	6,770,690	0	6,770,690
Other fund [34]	0	0	0	78,546	78,546
Derivatives	0	12,636,399	0	0	12,636,399
Loaned digital assets receivable	682,128		0	0	682,128
Total assets	**$ 19,226,919**	**$ 12,652,945**	**$ 30,516,846**	**$ 78,546**	**$ 62,475,256**
Liabilities					
Digital assets borrowed	$ 4,807,941	$ 0	$ 0	$ 0	$ 4,807,941
Total liabilities	**$ 4,807,941**	**$ 0**	**$ 0**	**$ 0**	**$ 4,807,941**

See the condensed schedule of investments for additional categorization of the items within the categories.

During the period February 1, 20XX (commencement of operations) through December 31, 20XX, there were transfers of digital assets from Level 3 to Level 2 due to certain blockchains becoming viable, and where such digital assets were traded on a digital asset exchange or where market inputs were observable. There were no transfers into Level 3 during the period February 1, 20XX (commencement of operations) through December 31, 20XX.

The following presents the purchases and transfers of assets and liabilities[31] measured at fair value on a recurring basis using significant Level 3 inputs during the period February 1, 20XX (commencement of operations) through December 31, 20XX attributable to the following:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Token Agreements	Private Companies	Total
Purchases	$ 23,000,000	$ 5,450,000	$ 28,450,000
Transfers into Level 3	0	0	0
Transfers out of Level 3	(3,000,000)	0	(3,000,000)

31 Delete "and liabilities" if no liabilities exist.

32 Please consult with client/engagement partner/manager, as applicable, to determine each financial instrument's specific fair value hierarchy.

33 The fair value disclosures required by FASB ASC 820-10-50-2(a) through (bb) shall be presented on a gross basis (see FASB ASC 820-10-50-3). Additionally, the disclosures shall be provided for each class of assets and liabilities. Per FASB ASC 820-10-50-2B, in determining the class, the entity shall consider the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy within which the fair value measurement is categorized. The number of classes may need to be greater for fair value measurements categorized within Level 3 of the fair value hierarchy because those measurements have a greater degree of uncertainty and subjectivity. Determining appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided requires judgment. A class of assets and liabilities will often require greater disaggregation than the line items presented in the statement of financial position. However, a reporting entity shall provide information sufficient to permit reconciliation to the line items presented in the statement of financial position. If another Topic specifies the class for an asset or a liability, a reporting entity may use that class in providing the disclosures required in this Topic if that class meets the requirements in this paragraph.

34 Refer to FASB ASC 820-10-50-6A for required additional disclosures when there are investments in entities that calculate net asset value per share (or its equivalent).

Note 7. FAIR VALUE (CONTINUED)

Quantitative information about Level 3 fair value measurements is as follows:[35]

	Fair Value at December 31, 20XX	Valuation Techniques[36]	Unobservable Inputs[36]	Range (Weighted Average)[36]
Token Agreements	$ 4,500,000	Held at cost	N/A	N/A
	18,246,156	Option model	Discount for lack of marketability	30-45% (34.2%)
	1,000,000	Recent transaction	Subsequent funding round	N/A
Private Companies	1,470,690	Market comparable companies	Adjusted valuation multiples (revenues)	8% – 12% (11%)
	5,300,000	Held at cost	N/A	N/A

Note 8. DERIVATIVES[37]

The Partnership engages in the speculative trading of option contracts (“derivatives”) for the purpose of achieving capital appreciation. None of the Partnership’s derivative instruments are designated as hedging instruments, as defined in the *Derivatives and Hedging* Topic of the Codification, nor are they used for other risk management purposes. Due to the speculative nature of the Partnership’s derivative trading activity, the Partnership is subject to the risk of substantial losses.

The following presents the fair value of derivative contracts at December 31, 20XX:

	December 31, 20XX	
Digital Asset price risk	Assets	Liabilities
Bitcoin Call Options	$ 10,636,399	$ 0
Warrants	2,000,000	0
Total	$ 12,636,399	$ 0

Within the statement of financial condition, the fair value of options on digital assets and warrants is included in investments in derivatives, at fair value.

35 FASB ASC 820-10-50-2(bbb) provides that for fair value measurements categorized within Level 3 of the fair value hierarchy, a reporting entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. A reporting entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the reporting entity when measuring fair value (for example, when a reporting entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure, a reporting entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to this reporting entity.

36 Revise for specific valuation techniques, unobservable inputs, and range, if applicable, used by management.

37 Information about an entity’s objectives for holding or issuing derivatives, the context needed to understand those objectives, and the strategies for achieving those objectives are required by FASB ASC 815-10-50-1A, FASB ASC 815-10-50-1B requires this information to be disclosed in the context of each instruments primary risk exposure (e.g., interest rate, credit, foreign exchange, etc.). Accordingly, this is only an example and the client should be consulted regarding method of presentation.

Note 8. DERIVATIVES (CONTINUED)[36]

The following presents the Partnership's derivative trading results and information related to the volume of the Partnership's derivative activity for the period February 1, 20XX (commencement of operations) through December 31, 20XX. The below captions of "Realized" and "Change in Unrealized" correspond to the captions in the statement of operations.

	Period Ended December 31, 20XX		
	Gain (loss) from trading		
	Realized	Change in Unrealized	Number of Contracts Closed[38]
Option Contracts			
Digital assets	(101,311)	1,396,088	500
Warrants	0	1,996,000	0
Total gains (losses) from derivatives	$ (101,311)	$ 3,392,088	

The number of contracts closed represents the number of option contracts and warrants closed or expired during the period February 1, 20XX (commencement of operations) through December 31, 20XX.

Note 9. MARKET AND CREDIT RISKS[39]

Digital assets are loosely regulated and there is no central marketplace for currency exchange. Digital assets are decentralized and do not rely on either governmental authorities or financial institutions to create, transmit, or determine the value of the digital assets issued by them. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile.

The Partnership is subject to credit risk to the extent a digital asset exchange with which it conducts business is unable to fulfill contractual obligation on its behalf. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the Partnership's assets that are custodied on an exchange may be lost.

Several factors may affect the price of digital assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital assets or the use of digital assets as a form of payment. Ultimately, digital assets can be purchased and exchanged for fiat currency on exchanges, can be used for consuming resources per their respective protocols, or used to purchase goods and services online or at physical locations. However, 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 assets payments by mainstream retail merchants and commercial businesses will grow.

[38] FASB ASC 815-10-50-1A provides that entities disclose information that would enable users of its financial statements to understand the volume of its derivative activity. These financial statements provide such information in its disclosure of the number of option contracts closed or expired during the year ended December 31, 20XX. There may be other measures of volume that management may consider to be more meaningful (e.g., monthly average contracts closed, etc.) to the financial statement users. Consult with client/engagement partner/manager, as applicable, regarding meaningful measures of volume of derivative activity and method of presentation.

[39] The Market and Credit Risks Note should be tailored to fit each client.

Note 9. MARKET AND CREDIT RISKS (CONTINUED) [39]

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

The legal status of certain digital assets may be uncertain. It is unclear whether they constitute property, assets, or rights of any kind. Digital assets are not backed by governments, and accounts and value balances are not subject to any statutory or government protections. Regulation of digital asset exchanges are currently undeveloped and likely to rapidly evolve. It is likely that some countries are already considering or may in the future put in place laws, regulations or other actions which may severely impact the Partnership's ability to invest, gain market share or otherwise manage its operations.

It is also possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology-based applications and related digital assets. This may result in regulation of digital assets held, which may result in increased volatility and value suppression, and could adversely impact the Partnership's performance and assets.

Digital assets are controllable only by the possessor of a unique private cryptographic key controlling the address in which the digital asset is 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 Partnership. The loss of private keys relating to digital wallets used to store the Partnership's digital assets could result in the loss of the digital assets and a limited partner could incur substantial, or even total, loss of capital.

The Partnership must adapt to technological change in order to secure and safeguard client accounts. While the General Partner believes it has developed an appropriate proprietary security system reasonably designed to safeguard the Partnership's digital assets from theft, loss, destruction or other issues relating to hackers and technological attack, such assessment is based upon known technology and threats. To the extent that the Partnership is unable to identify and mitigate or stop new security threats, the Partnership's digital assets may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of the Partnership or result in loss of the Partnership's digital assets.

Many digital assets are open source projects with a core group of developers, however there is no developer or group of developers with formal control. Any individual with the open source network software can make software modifications, which users and miners may consent to by downloading the altered software or upgrade that implements the changes. If a modification is not accepted by a vast majority of users and miners, but is accepted by a substantial population of participants in the project, a "hard fork" in the blockchain can develop two separate networks, one running the pre-modification software and the other running the modified version. This kind of split could materially and adversely affect the value of the Partnership's investments and in the worst-case scenario, harm the sustainability of the affected digital assets.

Note 9. MARKET AND CREDIT RISKS (CONTINUED)[39]

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

[40] The Partnership lends digital assets or cash to Counterparty 1. The loans are not backed by collateral and, if Counterparty 1 defaults, the Partnership bears the risk of loss of the full market value of the loaned digital assets. The Partnership has the right under its loan agreements to recover the digital assets loaned to the counterparty on demand. If the counterparty fails to deliver the digital assets on a timely basis, the Partnership could experience a loss.

The Partnership participates in trading on margin, which subjects the Partnership to market and credit risks. Trading on margin can amplify returns, but it can also amplify losses, and it is possible to lose more than the initial investment. A decline in the value of investments that are purchased on margin may also require additional collateral to avoid a forced sale of that investment.

The Partnership's trading and investing activities expose the Partnership to market risk. Market risk is the potential for changes in the fair value of financial instruments from market changes, including fluctuations in market prices. Market risk is directly affected by the volatility and liquidity in the markets in which the assets are traded. The Partnership manages its exposure to market risk related to trading instruments on an aggregate basis combining the effects of cash instruments, digital assets, and derivative contracts. The Partnership also sells digital assets not owned at the time of sale (short sale). Risks arise from short sales due to the possible illiquidity of the digital asset market and from potential adverse movements in digital assets values. Theoretically, short sales expose the Partnership to potential unlimited liability as the Partnership's ultimate obligation to purchase a digital asset sold short may exceed the amount recorded in the statement of financial condition. The General Partner has established procedures to actively monitor market risk and minimize exchange and counterparty risk, although there can be no assurance that it will, in fact, succeed in doing so.

The Partnership invests in illiquid investments such as Token Agreements, SAFEs, and other restricted securities. Realization of the amounts invested are contingent in part upon liquidation, redemption or disposition of such investments. The amount to be realized and the timing of such realization cannot be accurately estimated by the Partnership at this time. The amount to be realized could ultimately be materially more or less than the current fair value of the investments.

[40] Include only if applicable, and revise as applicable

Note 9. MARKET AND CREDIT RISKS (CONTINUED) [39]

The General Partner shall maintain custody of the Partnership's digital assets, by generating the private keys that control movement of the digital asset. Digital asset exchanges may also require the General Partner to provide control of the private keys when an exchange is utilized by the Partnership. The General Partner is responsible for taking such steps as it determines, in its sole judgment, to be required to maintain access to these keys, and prevent their exposure from hacking, malware and general security threats. The General Partner is not liable to the Partnership or to the Limited Partners for the failure or penetration of the security system absent gross negligence, fraud or criminal behavior on the part of the General Partner. To the extent that the security system is penetrated, any loss of the Partnership's digital assets may adversely affect a Limited Partner's investment, and could result in total loss of capital.

[41,42] A substantial portion of the Partnership's assets are held on various digital asset exchanges and custodians, with financial institutions and with other third parties. The Partnership has group concentrations of credit risk with these third parties, and in the event of a third party's insolvency, recovery of the Partnership's assets on deposit may be lost. The following details the fair value of the Partnership's accounts by party at December 31, 20XX:

[43]

Digital asset exchanges	
Sample Exchange A	$ 4,481,276
Sample Exchange B	622,491
Sample Exchange C	588,404
Sample Exchange D	189,267
Total at digital asset exchanges	5,881,438
Custodians	
Sample Custodian A	21,025,615
Sample Custodian B	42,975
Total at custodians	21,068,590
Other financial institutions	
Sample Bank, N.A.	4,824,210
Others	
Investments in token agreements	23,746,156
Investments in private companies	6,770,690
Digital assets held in private wallets	6,068,023
Counterparty 1	682,128
Counterparty 2	350,000
Counterparty 3	181,166
Other fund	78,546
Total Others	37,876,709
Total	$ 69,650,947

[41] FASB ASC 825-10-50-21 requires additional disclosure regarding concentrations of credit risk or group concentrations of credit risk including disclosures regarding collateral and disclosures regarding master netting arrangements.

[42] FASB ASC 825-10-50-21 requires disclosure of the maximum amount of loss due to credit risk, based on the gross fair value of the financial instrument, the entity would incur if parties to the financial instruments that make up the concentration failed completely to perform according to the terms of the contracts and the collateral or other security, if any, for the amount due proved to be of no value to the entity. This information is not required to be presented in a table. This table is shown for the purposes of providing one example of how to present the disclosures related to concentrations of credit risk. Clients should consult with their administrators and auditors regarding disclosures related to credit risk.

[43] The decision to disclose individual names of exchanges, brokers, interbank market makers or other counterparties should be based on a "significant" test, with the general guideline being to disclose the name if they have assets deposited with them by the Partnership greater than 5% of the net asset value of the Partnership. Otherwise, consider grouping insignificant balances in "Other".

Note 9. MARKET AND CREDIT RISKS (CONTINUED) [39]

The General Partner has established procedures to actively monitor market risk and minimize credit risk, although there can be no assurance that it will, in fact, succeed in doing so. The Limited Partners bear the risk of loss only to the extent of the fair value of their respective investments and, in certain specific circumstances, distributions and redemptions received.

Note 10. INDEMNIFICATIONS

In the normal course of business, the Partnership enters into contracts and agreements that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. The Partnership expects the risk of any future obligation under these indemnifications to be remote.

Note 11. SUBSEQUENT EVENTS

During the period January 1, 20X1 through April 22, 20X1, subscriptions of $39,000,000 (of which $14,750,000 is included in subscriptions received in advance as of December 31, 20XX) were made to the Partnership from Limited Partners and redemptions of approximately $10,000 and $2,063,000 were made from the Partnership by the General Partner and the Limited Partners, respectively.[44]

The General Partner has evaluated subsequent events through April 22, 20X1, the date the financial statements were available to be issued, and has determined that there are no other[45] subsequent events that require disclosure.[46]

Note 12. FINANCIAL HIGHLIGHTS

The following information presents the financial highlights of the Partnership for the period February 1, 20XX (commencement of operations) through December 31, 20XX. This information has been derived from information presented in the financial statements.

47	Total return before General Partner incentive allocation (1)	9.43 %[48]
	General Partner incentive allocation (1)	(0.28)%[48]
	Total return after General Partner incentive allocation (1)	9.15 %
	Ratios to average partners' capital: (4)	
49	Expenses prior to General Partner incentive allocation (2)	0.79 %[50]
	General Partner incentive allocation (1)	0.80 %[48]
	Total expenses and General Partner incentive allocation	1.59 %
51	Net investment (loss) (2), (3)	(0.41)%

44 Disclose significant capital transactions occurring subsequent to year end. Consult with client/engagement partner/manager, as applicable, for determination of "significant," as necessary.
45 Delete "other" if no subsequent events are disclosed.
46 FASB ASC 855-10-50 requires an entity that is not an SEC filer to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. In almost all cases, the date in which subsequent events have been evaluated by the General Partner will be the date the "financial statements were available to be issued."
47 Should include offering costs and other charges not presented in the statement of operations.
48 For periods less than one year, footnote that amount is not annualized.
49 Should exclude any General Partner or other performance allocations and should be net of voluntary and involuntary waivers. The effect of only voluntary waivers, to each reporting class as a whole, on the expense ratio should be disclosed (either as the basis point effect on the ratio or as a gross expense ratio) in a note to, or as part of, the financial highlights.
50 For periods less than one year, annualize and footnote that amount was annualized.

Note 12. FINANCIAL HIGHLIGHTS (CONTINUED)

Total returns and the ratios to average partners' capital are calculated for Limited Partners' capital taken as a whole. An individual Limited Partner's total returns and ratios may vary from the above total returns and ratios based on different management fee and/or incentive allocation arrangements, participation in side pocket accounts, and the timing of additions and redemptions.

(1) Not Annualized.
(2) Annualized, excluding non-recurring expenses.
(3) Excludes General Partner incentive allocation
(4) Excludes the Partnership's proportionate share of income and expenses from investment in other fund.

[51] Net investment income (loss) is the amount per the statement of operations, but excluding General Partner or other performance fees and allocations. Consult with client/engagement partner/manager, as applicable, about defining the components of net investment income (loss) as a note to the financial highlights.

Note 1: Caption descriptions used in the financial highlights should be the same as captions used on the statement of operations and statement of changes in partners' capital.

Note 2: Certain limited-life investment companies (primarily private equity funds) should disclose in the financial highlights internal rate of return since inception. See FASB ASC 946-205-50-23 and 24.

Note 3: Funds that obtain capital commitments from investors and periodically call capital under those commitments to make investments (primarily private equity funds) should disclose in the financial highlights or in a note to the financial statements the total committed capital of the partnership (including a general partner), the year of formation of the entity, and the ratio of total contributed capital to total committed capital. See FASB ASC 946-205-50-25.

Note 4: See FASB ASC 946-205-50, "Nonregistered Investment Partnerships – Financial Highlights" for additional guidance regarding "classes" for which financial highlights should be presented.