64. EDGE196™ may use leverage to finance purchases.

EDGE196™ may use debt to finance the acquisition of portfolio companies. Additionally, EDGE196™ may invest in portfolio companies for which lenders may require recourse that is borne in part by EDGE196™. If debt incurred with respect to one of our portfolio companies is cross-collateralized, a default with respect to one portfolio company may result in losses on other portfolio companies. Also, we may enter into a secured or unsecured credit facility at the parent level from time to time in order to enable us to further lever purchases, pay operating expenses and pursuit costs or to provide for interim financing in furtherance of our business. The use of leverage can increase purchase losses and the volatility of our returns. The amount of leverage used will depend on m arket conditions and the discretion of our management. Our use of leverage can increase our transaction costs, interest expense and other costs and expenses. There can be no assurance that our performance will be enhanced by purchasing with leverage. Our investor's potential liability to creditors will be limited to the purchase price paid for their digital assets and undistributed profits. However, if an EDGE Q holder has received a return of his, her or its capital, such digital asset holder may be required by applicable law to make a contribution of the returned capital to the extent necessary to discharge certain of EDGE196™'s liabilities to creditors.

65. EDGE196™ may hedge transactions.

EDGE196™ reserves the right to hedge interest rate and credit risks based on economic conditions, changes in the credit markets and other factors. In seeking to hedge pursuant to the foregoing, EDGE196™ may use various financial instruments, including without limitation, forward contracts, interest rate swaps, caps, collars and floors. While EDGE196™ may enter into such transactions, unanticipated changes in interest rates may result in poorer overall purchase performance than if EDGE196™ had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, EDGE196™ may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged.
Any such imperfect correlation may prevent EDGE196™ from achieving the intended hedge and expose EDGE196™ to risk of loss.