

68. The popularity of blockchain offerings may decrease in the future, which could have a material impact on the industry and EDGE196™'s operations and financial conditions.

EDGE196™ was founded to develop and commercialize technologies based on the use of digital assets, digital securities (or cryptosecurities) and blockchain technology. In recent years, cryptocurrencies, cryptosecurities and blockchain technologies have become more widely accepted among purchasers and financial institutions, but have been also faced increasingly complex legal and regulatory challenges and, to date, have not benefited from widespread adoption by governments, central banks or established financial institutions. Any significant decrease in the acceptance or popularity of such technology offerings may have a material adverse impact on EDGE196™'s operations and financial conditions.

69. EDGE196™ is not subject to the regulatory oversight.

EDGE196™ is not registered as an investment company and is not subject to the purchase restrictions, limitations on transactions with affiliates and other provisions of the Investment Company Act, of 1940, as amended (the "Investment Company Act"). EDGE196™ is also not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Delaware Investment Advisers Act, as amended, or any other comparable state regulations, and the digital assets are not registered under the Securities Act or the securities laws of any state. As a result, purchasers of our digital assets will not be afforded the protections and benefits they would have been afforded had EDGE196™ been a registered investment company, had EDGE196™ been a registered investment adviser and had its digital assets been registered under the Securities Act or any comparable state laws. In the event EDGE196™ or its affiliates are subsequently required to register as investment advisers under the Advisers Act, Delaware Investment Advisers Acts or other comparable state laws, purchasers may be entitled to certain protections under those statutes, but the costs of compliance with those statutes and the operating restrictions and requirements imposed on EDGE196™ and EDGE196™ may adversely affect the operation and financial performance of EDGE196™.

EDGE196™ intends to operate so as to not be regulated as an investment company under the Investment Company Act of 1940, based upon certain exemptions thereunder. Specifically, EDGE196™ expects to be exempted from registration under the Investment Company Act under section 3(c)(1) of the Investment Company Act of 1940. Accordingly, EDGE196™ does not expect to be subject to the restrictive provisions of the Investment Company Act of 1940; however, if EDGE196™ fails to qualify for exemption from registration as an investment company, its ability to conduct its business as described herein will be compromised. The business opportunities pursued by EDGE196™ may be limited by the requirements of available exemptions under the Investment Company Act of