

1940, and any such failure to qualify for such exemption would likely have a material adverse effect on EDGE196™.

70. Certain purchases may subject Master Fund to regulatory scrutiny.

EDGE196™ may make purchases in portfolio companies that are in heavily regulated industries such as fintech, payment systems and digital currencies. Changes in federal, state and local government regulations may have a material adverse impact on the business of any portfolio company that is operating in any such regulated industries.

71. Legislative or regulatory action could adversely affect purchasers.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of the federal income tax laws applicable to purchases similar to an investment in our digital assets. Additional changes to the tax laws are likely to continue to occur, and we cannot assure you that any such changes will not adversely affect your taxation as a Class A digital asset holder. Any such changes could have an adverse effect on an investment in our digital assets or on the market value or the resale potential of our properties. You are urged to consult with your own tax adviser with respect to the impact of recent legislation on your purchase in digital assets and the status of legislative or administrative developments and proposals and their potential effect on an investment in our digital assets.

72. EDGE196™'s initial portfolio company purchases will be contributed to EDGE196™ by affiliates of EDGE196™.

EDGE196™ may cause EDGE196™ to purchase or make additional purchases in portfolio companies in which Directors and Officers or his affiliates already own a direct or indirect ownership interest. EDGE196™ shall attempt in good faith to cause any such purchase or purchase to be on arms-length, market terms, but may not be required to obtain a third party appraisal or the consent of the digital asset holders.

Uncertainty regarding the availability of research funding or reimbursements may adversely affect portfolio companies operating results and may adversely affect sales to customers or potential customers.

Our portfolio companies' operating results may fluctuate substantially due to reductions and delays in research and development expenditures by these academic and governmental research institutions. Any decrease in such budgets or expenditures, or in the size, scope or frequency of capital or operating expenditures, could materially and adversely affect the profitability of our portfolio companies, and thus, our business, operating results and financial condition.