

# Digital Asset Addendum to Investment Management Agreement

This Digital Asset Addendum (this “Addendum”) is made by and between **CLIENT NAME** (“Client” or “you”) and Harvested Financial LLC, an Illinois Limited Liability Company and an Illinois state registered investment advisor (“Advisor” or “we” or “us”). Upon execution, this Addendum is made a part of and incorporated by reference into the existing Investment Management Agreement (the “Agreement”) between Client and Advisor that was executed on **DATE**.

Client expressly agrees to have Advisor invest in digital assets at Gemini Trust Company LLC on a discretionary basis after it has been determined that Client meets Advisor’s criteria for digital asset investing, as explained below. Client acknowledges that Advisor has educated the client on digital assets and digital asset investing. Client acknowledges they received Advisor’s digital assets risk disclosure and acknowledges the risks associated with digital asset investments.

\_\_\_\_\_ (initials)

## Digital Asset Definitions

As used in this Addendum, the following terms have the meanings specified below:

- **Digital Asset**
  - The term “digital asset” refers to an asset whose ownership is recorded and transferred according to technical protocols with varying degrees of decentralization. Digital assets include but are not limited to so-called “cryptocurrencies,” “virtual currencies,” “coins,” and “tokens” issued or transferred using distributed ledger, blockchain, or other technology. Digital assets include both assets native to a blockchain as well as those listed therein. Digital assets may represent both tangible and intangible assets. Digital assets as units of value can be fractionalized for broader distribution of ownership, much like dividing ownership of an asset into shares – but these shares are digital.
- **Digital Asset Investment Management**
  - The term “digital asset management” refers to the practice of purchasing and selling digital assets to be used as investments while managing a portfolio to experience an overall growth in value.

## Digital Asset Fees

Advisor will charge Client 0.75% (75 basis points) annually for digital asset investment management. Fees will be billed **monthly** and clients’ accounts will be **debited** to collect the fee.

\_\_\_\_\_ (initials)

Client is aware that there may be other fees associated with digital asset investment management, including fees charged by custodians and exchanges on top of Advisor fees.

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## Digital Asset Client Eligibility

In order to qualify for digital asset investment management under this Addendum, Client must:

- Be an existing client of the Advisor for investment management services outside of digital assets;
- Be properly educated on digital assets before investing and must fully understand and acknowledge the risks associated with digital asset investments;
- Have a minimum purchase amount of \$5,000;
- Restrict their digital asset holdings to maximum of 10% of their overall portfolio, or sign the Concentration Limit Waiver Letter (below);
- Have an **Aggressive or Speculative Investment Objective and High-Risk Tolerance**;
- Be comfortable with the risks associated with digital asset investment management and the potential for large or total losses; and
- Agree to potentially long holding periods for digital asset investments.

## Unsolicited Digital Asset Acknowledgement

Client acknowledges that the digital assets they own prior to this agreement, or purchased away from the advisor during the time in force, were not solicited for purchase by Advisor.

\_\_\_\_\_ (initials)

## Digital Asset Funding Source

Client may only fund digital asset purchases with new capital or by liquidating an asset. Client cannot fund digital asset purchases with any lines of credit.

## Digital Asset Concentration Limit

It is the advice of Harvested Financial that the Client should only invest at most **10%** of their account value into digital assets. If Client has a legacy position larger than **10%** and elects not to lower their exposure, they will be required to sign Advisor's Digital Asset Concentration Limit Waiver Letter.

The following Advisor's Digital Asset Concentration Limit Waiver Letter only applies if Client has a legacy position larger than **10%** and elects not to lower their exposure.

## Digital Asset Concentration Limit Waiver Letter

I, CLIENT NAME, acknowledge that I own more than **[ ]%** of unsolicited digital assets which is above the Advisor concentration limit of **10%** for holding digital assets. I have elected to **NOT** liquidate to be in accordance with Advisor Digital Asset Concentration Limit and am aware of the risks associated with holding digital assets above the Advisor limit.

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## Digital Asset Risk Disclosure

Investing in digital assets involves risk that can be substantially different from traditional asset classes. Digital assets are investments, can lose value, and are not insured nor regulated by any government entity at this time. Digital assets can be highly volatile and are sometimes subject to large percentage changes. Custodians handling digital assets typically operate differently from traditional custodians and may require additional cyber protections. Exchanges handling digital assets typically operate on trading hours that differ from traditional exchanges.

Client hereby acknowledges and accepts the following risks associated with digital asset investment:

1. **Risk of Loss** – Digital Assets are fundamentally different from traditional assets and are subject to a much greater degree of risk of loss. **(ADV Section 8, Item 1)**

\_\_\_\_\_ (initials)

2. **Valuation Risk** – Digital Assets are not only valued in unique ways, but risk having no potential valuation methods or a complete lack of liquidity. **(ADV Section 8, Item 2)**

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3. **Regulatory Uncertainty Risk** – Both domestic and international law is constantly evolving on digital assets, and all elements of ownership are subject to change and adverse impact to the client's position. **(ADV Section 8, Item 3)**

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4. **Liquidity Risk** – Digital assets have no liquidity requirements or guarantees and ultimately any value is at risk of loss due to liquidity or lack of market access. **(ADV Section 8, Item 4)**

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5. **Operational Risk** – Access and management of digital assets is subject to change due to updated procedures and regulations, as well as technical restrictions or lack of access. **(ADV Section 8, Item 5)**

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6. **Custody Risk** – Digital assets exist in a complex and evolving security regime, representing a unique risk of loss. **(ADV Section 8, Item 6)**

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7. **Security Risk** – As “bearer assets”, Digital Assets may be subject to specific loss scenarios involving security breaches, hacks, and other loss of access to the assets. **(ADV Section 8, Item 7)**

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[INSERT SIGNATURE BLOCKS]