

Item 1 – Cover Page

Firm Brochure
(Part 2A of Form ADV)

Mosaic Capital Inc.

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This brochure provides information about the qualifications and business practices of Mosaic Capital LLC. If you have any questions about the contents of this brochure, please contact Compliance at: sec@msc.xyz.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”), or by any state securities authority. Additional information about the firm is available by searching our CRD number, 336051, on the SEC’s website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

We are required to advise clients and prospective clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update filing. We were effective as a new adviser in November of 2025, and this is our first annual update.

Clients will receive an annual summary of any material changes to this and subsequent Brochures no later than April 30 which is 120 days after our fiscal year-end. At that time, we will offer a copy of our most current Firm Brochure. We will also promptly provide ongoing disclosure information about material changes, as necessary.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our Brochure.

We have made the following material changes since our effective date:

We have added details related to the launch of our US based Delaware Series Limited Partnership. Please see Items 4, 5, 6, and 10 for additional information.

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Item 4 – Advisory Business

Mosaic Capital Inc. (“Mosaic,” “firm,” “we,” “our,” “us”) is an investment management firm founded in 2025 that provides discretionary investment services. This brochure describes our services to US investors only. Mosaic is 65% owned by Webslinger Holdings Inc., a Cayman Islands corporation, which is in turn wholly-owned by Matthew Shaw. No other individual or entity owns more than 25% of Mosaic.

Services

Separately Managed Accounts

Our management services are tailored to the needs of the client and make use of the strategies and investment approaches required by the client’s personal circumstances or objectives. While we are not limited to any particular kinds of investments, the investment advisory services we provide to clients relate to decisions to purchase or sell digital tokens, cryptocurrencies, other cryptocurrency investments, securities, other instruments and in each case related linked derivatives.

Once a client enters into an agreement with us, we may select, change, or re-allocate such assets in our best judgment subject to guidance provided to us by the client. Where authorized, Mosaic will manage or effect purchases, sales, or other transactions on a discretionary basis for individual accounts (each, an “Account”). In managing the Account on a discretionary basis, Mosaic may retain all or part of the existing investments or liquidate such investments, in Mosaic’s discretion, and consistent with the client profile provided by the client.

We permit separately managed account clients to impose reasonable restrictions on our management but also reserve the right to decline restrictions that we believe are too operationally onerous to implement; that, in our judgment, are financially unsound; or that are otherwise inconsistent with our fiduciary duty. If we cannot reach agreement concerning restrictions, we will terminate our management of the related Account(s).

Written Agreement

Mosaic will enter into a written agreement with each separately managed account client or pooled investment vehicle, as applicable. This will take the form of an investment advisory agreement (“Agreement”), which describes the nature and extent of Mosaic’s services, the terms and conditions applicable to such services, and the fees to be charged.

Unless otherwise agreed, the Agreement may be terminated by either party at any time, for any reason, upon receipt of thirty (30) days’ prior written notice. If the Agreement is terminated, the client or Advisor will be charged based upon the number of days remaining in the billing period after the termination date.

Private Partnerships or Other Pooled Vehicles

We provide discretionary advice to privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended. We currently serve as the investment manager to the Mosaic Founders Fund LP, a Delaware Series limited partnership (the “Partnership”). An affiliate of Mosaic Capital, Mosaic Founders Fund GP LLC, (“GP”) a Delaware limited liability company, currently serves as the General Partner of the Partnership. The Partnership will be invested via limited partnership (“LP”) interests.

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Each Series will reflect separate and distinct management fees and performance fees, as well as requirements for capital contributions, withdrawals, and the specific token and/or treasury strategy. Details of which are reflected in the specific Series Supplement, which is appended to the Limited Partnership Agreement.

Investment advice is provided directly to the Partnership. Mosaic may, in the future, organize additional investment vehicles that follow an investment program similar to or different from the investment program of the Partnership. The Partnership is governed by a limited partnership agreement (“LP Agreement”) that sets forth the specific investment guidelines and restrictions applicable to the Partnership, rights and obligations of the General Partner, fees, compensation, and expenses, conflicts of interest, as well as additional risks specific to the Partnership’s structure. All investors must carefully review the LP Agreement and complete the Subscription Agreement (collectively, the “Offering Documents”) prior to investment and prior to being admitted to the Partnership as LPs.

Advisory services are tailored to achieve the Partnership’s investment objectives. Investors in the Partnership may not impose restrictions on investing in certain types of securities or otherwise limit our investment authority for the Partnership.

We may issue additional Series of LP interests as well as additional limited partnership entities, which may differ in terms of fees, allocations, and minimum investments.

See Item 6 and Item 10 for additional information.

Offshore Management Activities

Mosaic is also registered with the Cayman Islands Monetary Authority and serves as an adviser to certain Cayman mutual funds, as well as a Cayman-organized private fund that does not currently have any US investors.

Wrap Accounts

A wrap account is structured such that a client pays a single fee, or single percentage fee which covers both investment advisory services and brokerage costs. Mosaic does not offer or sponsor a wrap fee program.

Assets Under Management

As of March 19, 2026, Mosaic had approximately \$75 million in assets under management for US investors, all on a discretionary basis.

Item 5 – Fees and Compensation

Fees for Discretionary Separate Account Management

Asset-Based Fee Schedule:

Our fees are negotiable and generally range between 50 and 250 basis points annually on all assets under our management. 250 basis points is the maximum we will charge any client, though we may negotiate

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fees lower than 50 basis points. We have also, in certain cases negotiated with certain clients an annual flat fee, billed monthly in arrears and reserve the right to continue to do so in the future.

If we recommend private placements sponsored by unaffiliated parties, we will charge our management fee on those assets, in addition to the fees charged by the product sponsor. Because these investments are not liquid, pricing information is not generally available. Accordingly, we will charge our fee based on one of the following methods, as mutually agreed with the client: (i) the value reported by the third-party custodian holding the asset, if applicable; (ii) the most recent value provided by the issuer or sponsor; or (iii) the original investment amount, which may be higher or lower than both the actual current value and the value the client could obtain on liquidation.

Performance-Based Fees:

The firm also offers a performance-based fee arrangement to “qualified clients,” as that term is defined in Rule 205-3 under the Advisers Act. Mosaic is permitted to charge performance fees for certain qualified clients, typically calculated as 20% of net profits, though the rate may vary based on the Agreement or other governing documents. A hurdle rate, typically ranging from 4% to 8% annually, (although the rate or timing could vary) or tied to a benchmark such as the S&P 500 or a relevant market index, is permitted to be applied depending on the Agreement or other applicable client governing document. In some cases, no hurdle rate is applied, as negotiated with the client. All fee terms, including whether a performance fee is charged, the specific performance fee rate, and the presence or absence of a hurdle rate (whether a fixed rate or benchmark-based), are specified in the Agreement or other applicable governing document. This variability creates a conflict of interest, as Mosaic could receive higher fees from accounts with lower or no hurdle rates or higher performance fee rates, which we take steps to mitigate through full disclosure and client consent and by otherwise acting in a manner seeking to ensure clients are treated fairly and equitably over time, and as part of our fiduciary duty to clients.

We charge an ongoing, negotiated asset-based fee, in addition to the performance fee. The asset-based fee is charged regardless of the Account’s performance. Both the applicable asset-based fee and terms of the performance fee are described in the Agreement.

Performance will be calculated annually, on a rolling calendar-year basis based on the date we began managing the Account. The performance fee, if applicable, will then be applied annually in arrears. We will use the value of client assets at the time the performance-based fee agreement is executed to establish the base value of the assets for performance calculation purposes. Once the high-water mark is established, subsequent quarterly performance in that calendar year must exceed the high-water mark before a performance fee will be charged.

We reserve the right, on a limited, case-by-case basis, to enter into alternative performance-based fee arrangements. For example, in exchange for providing certain clients validator services and other investment support, Mosaic and its affiliates have negotiated fee arrangements involving flat monthly fees payable in USD and in some cases, USDC or another US denominated stable coin currency, as well as a percentage-based option premium. Any such alternative fee arrangements will be described in the Agreement between us.

Fees for Private Partnership Investors

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Partnership fees are described in detail in the LP agreement and other Offering Documents. In the event of any discrepancy between the summary disclosures provided in this brochure, and the Offering Documents, the Offering Documents control. A capital account is established for each LP, and the capital account reflects the LP's contributions, withdrawals, and allocations of net profits, net losses, as well as income and expenses allocable to LPs.

Each LP is obligated to pay its pro rata share of applicable Partnership and Series expenses, as reasonably determined by the GP and subject to requirements and limits described in the LP Agreement. Certain unreimbursed series organization expenses, as defined in the LP Agreement, may be allocated by the GP to the Partnership but will be offset 100% against the management fees, to the extent applicable.

At the sole discretion of the Partnership's GP, and without the consent of the other Partnership investors, fees may be waived or reduced for LPs who are affiliates of the GP or of Mosaic.

There is no minimum initial subscription amount for Partnership interests. LPs may make an initial capital contribution in the form of cash, or, with approval by the general partner, in digital assets acceptable to the general partner, or partly in cash and partly in digital assets acceptable to the general partner. Acceptable contributions are described in the specific Series Supplement.

Each Series will have their own specific requirement regarding additional capital requirements, if allowed.

Redemptions by Limited Partners

Each Series will have separate and distinct redemption requirements. These requirements are described in the specific Series supplement.

Full details regarding fees and expenses, initial and additional capital contributions, as well as withdrawal/redemptions are described in detail in each Series Supplement.

Fee Calculation & Deduction:

Unless otherwise agreed, asset-based fees are calculated monthly in arrears and as described in the Agreement. The value of the Account and the value of any asset in the Account for billing purposes will be the value reported by the custodian holdings the assets. In the event the custodian does not price an asset, Mosaic will not assess advisory fees on that asset unless Mosaic establishes that the failure to price is an error or oversight and unless Mosaic obtains independent documentation of the value from a reliable source, such as an independent pricing vendor, the custodian, or an independent portfolio management system. The custodian's pricing policies are disclosed directly by the custodian.

The specific fee billing arrangement will be described in the Agreement. Unless otherwise agreed, Mosaic's services may be terminated with 30 days' notice. Since we charge monthly in arrears, in the event of termination, we will issue a pro-rata invoice from the first day of the month through the effective date of termination.

Our Agreement permits us to deduct our advisory fees directly from the custodial accounts holding client assets.

Other Fees

Certain fees are not included in our advisory fees. Unless otherwise agreed, clients will incur brokerage,

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transaction, and custodial fees. These fees can vary depending on the custodian or broker used and will be disclosed separately to the client in the custodian's clearing and custodial paperwork. Clients may also be charged for specific account services, such as account transfers, electronic fund and wire transfer charges, and for other optional services elected by clients. Accounts may be subject to transaction-based charges assessed by the custodian. Our advisory fees do not cover any of these third-party costs.

See Item 12 for additional information about our brokerage practices.

Commissions & Transaction-Based Compensation

Neither Mosaic nor our advisory representatives receive any commissions or other transaction-based compensation in exchange for our advisory services.

Item 6 – Performance-Based Fees and Side-by-Side Management

As disclosed in Item 5 above, we may agree with qualified separately managed account clients to charge a performance-based fee. Other separately managed account clients may be charged only asset-based fees. In addition, part of our compensation for both the Cayman Island-based funds we advise as well as US-based funds is generated from performance-based fees. Any fee arrangements for fund vehicles will be set forth in the applicable fund's governing documents.

Regardless of the fee structure agreed to, Mosaic's separate accounts are managed based on the individual needs of the client and the strategies employed and investments may vary significantly from those employed on behalf of the private funds. Where we are investing similarly for both separate accounts and the funds, the performance fee creates an incentive for us to allocate more potentially profitable investments to the funds. Similarly, we have an incentive to allocate more potentially profitable investments to those separate accounts that pay a performance fee, over those that pay solely an asset-based fee. To the extent the investments selected have a high degree of liquidity, we can usually allocate whatever amounts are desired without choosing between the funds and separate accounts. Where this is not possible, however, we allocate on a pro-rata basis such that no separate account is advantaged or disadvantaged over the funds or over separate accounts that pay a performance fee. Where we may stand to earn a performance fee, we have a financial incentive to take greater risk, in the hope of higher returns, than we may otherwise. This risk is greater prior to valuation dates that establish the amount, if any, of the performance fee due to us.

Item 7 – Types of clients

Our US clients are high-net worth individuals, trusts, corporate entities, and foundations.

Our minimum Account size is \$1 million but this may be waived in our sole discretion.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Mosaic does not guarantee the future performance of any Account, any specific level of performance, the success of any investment decision or strategy, or the success of Mosaic's recommendations. The investment and other decisions made by Mosaic are subject to various market, currency, digital asset, economic, political and business risks, and may result in investment decisions that will not be profitable.

Methods of Analysis

We employ different methods of analysis and various investment strategies, depending on the needs of the client. We use fundamental, technical, and quantitative analysis based on what we believe will be most useful in a given situation. We review publicly available data, such as economic data, market, and interest rate information. We subscribe to third-party data sources that aid our analysis. We may also employ internal modeling, depending on the strategy employed for a given client.

- Adviser Judgment. The primary risk in our methods of analysis is that our judgment will be wrong. If our judgment is inaccurate, client performance is likely to suffer.
- Fundamental Analysis. A risk of fundamental analysis is that the current market price is, in fact, the best indicator of future price and therefore securities believed to be attractively priced end up lagging the market or their peers. Fundamental analysis also presents a risk that the price of a security moves up or down with the broader market, or in response to overall economic or financial factors, rather than due to any intrinsic value the adviser may have identified. Another key risk is that the firm's assessment of value may prove simply to be incorrect.
- Technical Analysis. There is no guarantee that past performance or past patterns will accurately predict future performance or future patterns. Similarly, a risk of technical analysis is that over-focus on historical patterns could lead us to ignore or downplay security-specific concerns, overall market or sector concerns, or other factors, because we assume inaccurately the historical patterns will repeat themselves.
- Quantitative Analysis. There is no guarantee that statistical or mathematical modeling will accurately predict future price movements. Similarly, our judgment about what the modeling means concerning buying opportunities, or the risk of drawdown may be wrong.
- Short-Term Trading. This strategy increases transaction costs, if applicable. See *Item 12. Brokerage Practices* for more information. Tax consequences for short-term trading can also be significant.
- Margin. Trading on margin involves borrowing money from the custodian based on the value of securities in the portfolio. Clients are required to maintain initial and maintenance levels of equity, as determined by the custodian. Margin permits the portfolio to buy more securities than would be available solely through cash in the Account and therefore to potentially increase returns when the value of securities in the portfolio increases. If values decrease, however, you may be forced to deposit more cash or securities to support any margin loan, or to sell at a significant loss, or in extreme cases even to have to pay off debt that was not secured following the liquidation of the entire Account. Accounts will be charged interest on any margin debt at the current rate assessed by the custodian; paying margin interest reduces overall returns.
- Short Sales. Short selling may be used when we believe a security is overpriced or is otherwise likely to decline in value. When selling short, we sell a security that is not owned in the client portfolio and borrow it to allow the custodian to deliver the sold securities to the buyer. Our intention is to buy it back later at a lower price, thereby profiting from the

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price decline. A margin account is required for short sales and clients are required to maintain initial and maintenance levels of equity. Short sales have potentially unlimited risk and clients may be forced to buy the security back at significantly higher prices than where the stock was originally sold. In some cases, the securities borrowed may need to be returned to the lender; if no replacement borrow may be obtained, the custodian will force the account to buy back the security in a short period of time. This can lead to significant losses and neither the adviser nor the client controls that process.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Accounts may experience loss for a variety of reasons including market movements and global and domestic events affecting the economy, that are entirely out of Mosaic's control. Mosaic cannot guarantee any level of performance or that an Account will not experience losses.

General Risks of Investing

- Management Risk. There is no guarantee that Mosaic's judgment about the worth and implementation of given strategies, or the state of the financial markets is sound and that investments selected by the firm will be profitable.
- Deflation. Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market value of an investment.
- Inflation. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of an account and related distributions can decline.
- Credit Risk: The risk that the guarantor of a security defaults on its obligations.
- Counterparty Risk: The failure of a counterparty to do what they've agreed to means the underlying security will fail to achieve its objectives. Counterparty risk can be especially serious when markets are experiencing broad disruption or periods of illiquidity. For example, in the case of US options, the Options Clearing Corporation ("OCC") guarantees the performance of the terms of the underlying option contract, but the guarantee may not be adequate to fully protect investors, especially in times of significant market disruption.
- Interest-rate Risk. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. This can affect the attractiveness of structured note yields currently held in a portfolio. With respect to box trades, investors may have locked in a specific effective "interest" rate that becomes less attractive due to a decline in prevailing loan rates.
- Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

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- Currency Risk. International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk. This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return.
- Leverage/Use of Margin. Borrowing funds to purchase securities (generally referred to as "margin") can improve returns but also increases risk. All borrowing is subject to collateral and minimum equity requirements. If an Account does not have enough equity, or the value of collateral securing the margin loan decreases beyond acceptable levels, the Account may be liquidated by the custodian without notice or consultation. Custodians are subject to regulatory requirements that limit their flexibility in extending margin, and investments may be liquidated at adverse times and prices. In a falling market, an Account may be forced to incur substantial losses and not benefit from possible subsequent market recovery. Investments held without margin have a choice to hold on to declining securities. Margin borrowing also involves payment of floating interest rates; increases in rates can be substantial and are implemented without warning. Payment of interest reduces overall returns. We may also employ other financial techniques and trading strategies that do not involve borrowing through traditional means but would nonetheless have the economic effect of using leverage. For example, an option trade called a box spread can be used as form of "synthetic loan," locking in an effective specified interest rate if the trade is held to expiration (or rolled over on new terms). Such trades require that the custodian approve the investor for both margin and options. It is possible that the custodian could require additional collateral in an Account maintaining a box trade or could liquidate the box trade positions to satisfy their demands for specific levels of equity. This could lead to realized losses that would otherwise be avoided; the investor having to contribute additional funds or securities to the Account to satisfy the custodian's requirements; or to the client having to close out the box trade prior to expiration, which could lead to significant losses.
- Liquidity Risk. Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. In exceptional market conditions where counterparties are no longer trading, Mosaic may be unable to buy or liquidate securities. Reduced liquidity may have an adverse impact on market price and the ability to sell particular securities when necessary to meet cash needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market may also make it more difficult to obtain market quotations based on actual trades for the purpose of valuing the security.
- Sectors. This may be an area of risk when a substantial portion of assets are devoted to a particular market sector or industry thereby having the potential of greater volatility than with broadly diversified strategies. A market sector or industry may underperform the market as a whole for a variety of reasons, including supply and demand, innovation and the emergence of alternatives to a sector's products or services, changes in industry regulation, and macroeconomic factors that affect some industries very differently than others.
- Systemic Risk. Risks inherent to the entire market or market segment. Systemic risk is also known as "undiversifiable risk," and affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid.

Specific Risks of Digital Assets

“Digital assets” means cryptocurrencies, decentralized application tokens and protocol tokens, blockchain-based assets and other cryptofinance and digital assets, including digital assets related to or associated with participation or investment in smart contracts or blockchain networks for the purpose of staking, network participation, liquidity provisioning and on-chain governance, or instruments for the purchase of such or other rights to such, whether issued in a private or public transaction.

- Digital Asset Investment Risks. Digital Assets are based on computer-generated mathematical and/or cryptographic protocol. Digital Assets are transferred over networks, where each transaction is recorded in a “blockchain.” A blockchain is a public or private digital ledger that records transactions on multiple computers, which collectively constitute that digital asset’s network. This method of recordkeeping can alleviate the need for a single, trusted third party intermediary because certain participants of that particular digital asset’s network can each individually act as a steward or record-keeper for all or part of such blockchain. In most networks, once a transaction is recorded on the blockchain, that transaction is theoretically immutable and cannot be reversed due to the cryptographic nature of the recordkeeping and the intended decentralized nature of consensus for that Network.

Digital assets—and the use of digital assets to buy goods and services, to buy other digital assets or to hold for investment purposes—are a relatively novel technology and remain in the early stages of development. In addition, different digital assets are designed for different purposes. Bitcoin, for instance, was designed to serve as a “peer-to-peer electronic cash system” while Ethereum was designed to be a “smart contract and decentralized application platform.” Many other digital assets—ranging from cloud computing to tokenized securities networks—have been established. The further growth and development of any digital assets represent a new and evolving paradigm, and carry a number of specific risks that are difficult to evaluate, including:

Security issues, bugs and software errors have been identified with many digital assets and their underlying networks, some of which have been exploited by malicious actors or that have, for example, allowed hacker to counterfeit tokens. Such malicious actors may be able to manipulate transactions, which could cause financial losses to holders, damage the network’s reputation and security and adversely affect its value.

Certain networks have concentrated governance (both formal and informal), allowing a small group of holders to have significant unilateral control and influence over key decisions, such as governance decisions and protocol changes, as well as the market price of such digital assets. While this can lead to greater adaptability and is not inherently negative, concentrated governance can also magnify bad management decisions or increase the negative effect of possible corruption, fraud, or manipulation.

Various other issues have also been uncovered from time to time that resulted in problems and challenges associated with Digital Assets. Because of the emerging nature of the industry, there is little precedent for operating a pooled vehicle focused on digital assets, or for using digital assets in a general investment program. The growth of digital assets in general is subject to a high degree of uncertainty. The factors affecting their further development, include (a) their continued worldwide growth, adoption and use; (b) government and quasi-government regulation of the use, creation, offering, sale, and transfer of Digital Assets, as well as restrictions on and

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regulations related to the operation of and access to a Digital Asset's Network; (c) changes in consumer preferences; (d) the maintenance and development of underlying code protocols of a Network; (e) the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using Digital Assets; and (f) general economic conditions and the regulatory environment relating to Digital Assets.

It may be illegal, now or in the future, to own, hold, sell or use Digital Assets in one or more countries. Although currently some uses of Digital Assets, and the operation of the underlying Networks, may not be regulated or may be lightly regulated in most countries, including the United States, one or more countries may take further regulatory action in the future to severely restrict the right to acquire, own, hold, sell or use Digital Assets or to exchange Digital Assets for fiat currency. Such an action may restrict the Series' ability to hold or trade Digital Assets and may adversely affect an investment in the Series.

- Volatility. Digital asset prices are extremely volatile and there is no assurance that any digital asset will maintain its value or that there will be meaningful levels of liquidity in them. Moreover, the price of digital assets may vary between exchanges, and the value of digital assets as represented by one or more exchanges may be significantly higher or lower than other exchanges. There are many reasons for variation in price between exchanges, including supply and demand imbalances, regulatory restrictions based on the domicile of the exchange, or exchanges' policies on withdrawal or deposits. This variation between exchanges may be either temporary or permanent and could have a material impact on the Series.
- Risks Related to Investments in Blockchain Technology. Blockchain technology has novel mechanical features, which include operational limitations on immediate changes to the network. Cryptographic and algorithmic protocols governing the creation, transfer, and usage of digital assets represent a new and evolving paradigm that is subject to a variety of factors that are difficult to evaluate, and raise numerous risks, including limited operating histories, changes not being validated in production, and are still in the process of developing and are making significant decisions that will affect the design, supply, issuance, functionality, and governance of their respective Digital Assets and underlying Networks, any of which could adversely affect their respective Digital Assets.

Networks and corresponding blockchain technologies could be vulnerable to fraud, exploits, or errors that will not promptly identified, known, or corrected. Various other technical issues have also been uncovered from time to time that resulted in disabled functionalities, exposure of certain users' personal information, theft of users' assets, and other negative consequences, and which required resolution with the attention and efforts of their global miner, user, and development communities.

- Regulatory Uncertainty of Digital Assets. Many of the legal and regulatory regimes that touch on digital assets were adopted prior to the advent of the internet, mobile technologies, digital assets themselves, networks and related technologies. As a result, many do not expressly contemplate or address unique issues associated with digital assets and networks, or the various methods and modalities through which a network may be accessed or used. Various legislative and executive bodies in the United States and other countries have in the past adopted, are currently contemplating to adopt, and may in the future continue to adopt, laws, regulations or guidance or take other actions that may severely impact the Digital Assets generally and, in each case, the

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technology related thereto. Failure by the Series or other Investment Counterparties to comply with any such laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including reputational harm, preliminary and permanent injunctions, cease and desist orders, civil penalties, fines and other regulatory consequences, any of which could be significant and could adversely affect the value of the Investor's investment in the Series.

While some US states, the US federal government, and some foreign jurisdictions have issued various types of guidance concerning digital assets, in general, the regulation of digital assets under the current regulatory framework remains in its early stages, is evolving and is subject to significant uncertainty. The imposition of regulatory restrictions on digital assets, could affect the utility, value, liquidity and market price of those digital assets subject to heightened regulation, by limiting access to marketplaces or exchanges on which to trade such assets, or imposing restrictions on the structure, rights and transferability of such assets. Similarly, uncertainty about the regulatory status of digital assets could have significant implications. For instance, if the SEC were to deem a digital asset to constitute a security under U.S. federal securities laws, any transaction in such digital asset would have to be conducted in compliance with U.S. securities laws, which could immediately and materially affect the transferability, utility and liquidity of such digital asset. Further, it could draw negative publicity and a decline in the general acceptance of the digital asset. Also, it may make it difficult for such digital asset to be traded, cleared and custodied as compared to other digital assets that are not deemed to be securities.

- Risks Related to Voting with Digital Asset Investments. There may be certain liabilities incurred as a result of participating in governance votes. One emerging area has been the case of decentralized autonomous organizations (DAO), where there is not necessarily a legal entity involved, and courts have implied that all DAO tokenholders may be treated as general partners and therefore not receive the benefits of limited liability that would ordinarily accrued to, for example, limited partners. In September 2022, the Commodity Futures Trading Commission ("**CFTC**") filed an enforcement action against Ooki DAO, alleging Ooki DAO was an unincorporated association made up of "Ooki Token holders who have voted those tokens to govern the Ooki Protocol." As a result, there may be joint and several liability amongst tokenholders who voted on governance proposals, including investment fund vehicles. In the northern district of California in the matter of *Samuels v. Lido DAO* (2024) the court stated in its order regarding a motion to dismiss the claims by the defendants that the plaintiff had plausibly alleged that the Lido DAO was a general partnership. Additionally, the court stated that venture capital investors such as Andreessen Horowitz participated in governance voting and were therefore plausibly part of the general partnership. Where such joint and several liability is found, it is likely to have a significant chilling effect on the price of any such governance tokens and expose key governance players to litigation and expenses and potential judgments of liability. On the other hand, the CFTC did not seek recovery from individual tokenholders in the Ooki DAO matter, and the Lido DAO matter has at this time not been fully litigated and is still in the motion stage.

Risks of Other Securities

- Equity Securities. Prices of common stock react to the economic conditions of the company that issued the security; industry and market conditions; as well as other factors, and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers

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and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options may also vary widely. Market conditions may affect certain types of stocks (such as large-cap or technology-related) to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and, although stock values can rebound, there is no assurance that values will return to previous levels.

- Equity Options (Puts and Calls). Purchasing a long option gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor writes (or sells) an option, if the buyer exercises the option prior to expiration, the investor is obligated to sell to the buyer of the option a specified number of shares at a pre-determined price per share (in the case of a call option) or purchase from the buyer of the option a specified number of shares at a pre-determined price per share (in the case of a put option). The seller receives a premium in exchange for writing the option. The potential loss on short (naked) call options is hypothetically unlimited. Different strategies are used depending on our expectations concerning market or security volatility as well as the expected direction of security or market prices. We may also write calls on existing long stock positions (covered calls). Options ultimately expire and incur trading costs that are often higher than the costs of other securities. This means that options positions can increase portfolio costs significantly while also expiring worthless and thereby contributing to overall portfolio losses or reductions in return. We may use of box spread strategies. In exceptional market conditions where box spread counterparties are no longer trading, Mosaic may be unable to roll a box spread past its settlement. In this scenario, clients will automatically transition to a margin loan and may accrue margin interest until liquidity is reestablished. We use European-style options for box spreads. This prevents early exercise by the holder of long options and means that the entire trade must be held until expiration or the entire trade must be closed out through open-market transactions. If it is necessary to close the position before expiration, clients could experience unintended losses.
- Derivatives. Investments in derivatives, or similar instruments, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that can reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions.
- Exchange-Traded Funds. ETFs are pooled investment vehicles bought and sold on a securities exchange that attempt to track the performance of a specific index (such as the S&P 500), a commodity, a basket of assets (such as a set of technology-focused, country-specific, or other sector-specific stocks). The risks of owning an ETF generally reflect the risks of owning the underlying assets they are designed to track, although lack of liquidity in an ETF could result in its being more volatile than the underlying securities. ETFs have management fees

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that increase their costs. ETFs are also subject to other risks, including: the risk that their prices may not correlate perfectly with changes in the underlying index (tracking error); the risk that the ETF will trade at prices that differ, sometimes materially, from the ETF's net asset value; counter-party risk; and illiquidity risk, especially for narrowly-focused ETFs, including the risk of possible trading halts.

- Fixed-Income Securities. Prices of fixed income instruments can exhibit some volatility and change daily. Investments in fixed income instruments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect the price of the instruments. For instance, a rise in interest rates will generally cause the price of bonds to go down. If the security is held to maturity and the issuer does not default, the client should receive the face amount of the bond at the maturity date, as well as stated interest payments while the bond is held. In this case, the change in price prior to maturity may not affect the client. If the client needs to sell prior to maturity, however, the investor will likely experience a loss. Where a client's fixed income exposure is to fixed-income ETFs or mutual funds, the fund does not itself "mature," although different issues held by the fund will mature and will experience price fluctuations. Investors are therefore highly dependent on the manager's ability to accurately anticipate the impact of rate changes and to appropriately manage the portfolio to achieve both adequate returns and reasonable risk. Future increases in interest rates could have a material negative impact on the value of current fixed income holdings. In addition, the value of fixed income instruments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments.
- Private Placements. Where we believe it to be suitable for the client, we may recommend privately-placed securities. Private placements (unregistered securities) are exempt from registration under US federal securities laws, may have limited or no transparency as to the underlying investments, and are generally available only to accredited investors, who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk, and such securities should be viewed as long-term investments. Clients using these securities must be able to tolerate this illiquidity by reserving sufficient resources to meet all obligations. Expenses related to private placements may be a higher percentage of net assets than traditional investment strategies. The duration of private fund investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. This is not an exclusive list of potential or actual risks in any particular private placement and additional important information is found in the specific security's offering materials. Clients must receive and read the offering materials before investing, and execute any required subscriptions documents. The investment sponsor determines whether to accept a specific investment. We are not able to exercise its discretionary authority with respect to private placements.
- Structured Notes. These are hybrid securities that involve a debt obligation by the issuing financial institution, as well as an embedded derivative component. They usually have a limited secondary market and are therefore illiquid. This means clients may not be able to sell them if they wish to—including if the market price is declining significantly—and may have to hold the security to maturity or sell to the issuer at significantly depressed prices. Often the sponsoring bank is the only market maker. Accordingly, it's important to assume

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that any structured note will held to maturity or call. Because structured notes are individually developed, they have a range of characteristics, features, and objectives. It is important to understand the specific features of the various structured notes used. Some of the general risks of structured notes include the fact that many do not pay interest or repay a fixed amount of principal at maturity. Instead, payment at maturity could depend on the underlying performance metrics established by the issuing company when they create the structured note. For example, a structured note may repay principal based on the relative performance of the S&P 500 index during a particular period when compared to some stated return. In general, returns and losses may be limited to a certain performance band. If this applies, it can limit upside as well as downside, but usually only within specified bands or caps. Once those bands have been exceeded, downside is likely not limited (or less limited), while upside continues to be limited. The issuing company will typically structure the note to protect itself first. Unlike in a mutual fund that tracks an index, where dividends are typically reinvested, indices used for structured notes often exclude dividends and therefore usually have a lower return than the comparable index that shows dividends reinvested. Structured notes are also subject to credit risk as the financial institution sponsoring the structured note covers the obligations based on their promise to meet them, not subject to collateral or other forms of protection. It's important to diversify the banks used to sponsor the notes in our portfolios, but general downturns in the financial sector may have material negative effects on all banks sponsoring notes. Some structured notes have call provisions that permit the sponsor to redeem them prior to maturity and regardless of price. Structured notes have built in expenses to pay the issuing company to compensate them for the financial risk they're taking on, as well as the issuance, hedging, and distribution costs.

Item 9 – Disciplinary Information

Mosaic is required to disclose any legal or disciplinary events material to a client's evaluation of its advisory business or the integrity of management. We have no regulatory or legal events to disclose in response to this item. Specifically, none of the following apply to, and neither Mosaic nor its managers, have been involved in any of the following:

- Criminal or Civil Actions
- Administrative Enforcement Proceedings
- Self-Regulatory Organization Enforcement Proceedings

Item 10 – Other Financial Industry Activities and Affiliations

Mosaic is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Mosaic, along with certain of its advisory personnel has been engaged by unaffiliated operating companies (each, a “Company”) as an outsourced Chief Investment Officer (“CIO”) to provide strategic consulting services to one or more such Companies in the digital asset, consumer, and financial sectors related to the management of such Company’s cryptocurrency assets and overall treasury strategy. Specific services provided are reflected in a written agreement between Mosaic and the respective Company and generally include, but are not limited to:

- Developing digital asset portfolio strategies aligned with the Company’s objectives and Treasury Reserve policy;
- Monitoring market conditions, asset performance, and relative protocol developments to inform investment decisions;
- Implementation of risk management practices, oversight of custody, trading and portfolio rebalancing;
- Regular reporting and strategic insight to the Company’s board and executive leadership; and
- Collaborating with Company stakeholders to ensure alignment on treasury goals, liquidity needs, and applicable compliance considerations.

These arrangements create a conflict for any such Mosaic advisory personnel acting on behalf of both Mosaic investment advisory clients (including our Fund(s)) and the Companies that have engaged us as an outsourced CIO. We seek to mitigate these conflicts through the use of internal information barriers, restricting access to Mosaic client trading details/portfolio construction, and other internal controls applicable to personnel who have been engaged to act as outsourced CIO, in each case, consistent with our fiduciary duty to act in the best interests of Mosaic clients.

General Partner Affiliation

Mosaic Founders Fund GP LLC is the general partner to Mosaic Founders Fund LP. We share resources with the general partner, including offices and staff. Neither Mosaic nor its affiliate GP is registered and currently do not plan to register as a broker-dealer, futures commission merchant, or commodity pool operator/trading advisor.

We are based in the Cayman Islands and we are registered with the Cayman Islands Monetary Authority (CIMA), in accordance with the jurisdiction’s requirements. We provide advisory services to non-US clients and non-US private funds in accordance with CIMA requirements.

We are under common control through our parent company with other, non-financial, entities that provide various services. It is possible that US clients could be referred to one of these service providers if they had a need our affiliate could address. If that occurs, we provide a separate disclosure describing the nature of the services, fees, and related conflicts of interest. Clients are under no obligation to use the services of any of our affiliates.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

As part of our fiduciary responsibilities, we have adopted a Code of Ethics (the “Code”) in compliance with Rule 204A-1 under the Advisers Act that sets forth standards of ethical conduct for the firm’s supervised persons. The Code includes general requirements that the firm’s supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. Each supervised person receives a copy of the Code and any material amendments thereto and must acknowledge receipt of such materials. Annually, each supervised person must certify as to compliance with the Code during that year. Supervised persons are also required to promptly report to Mosaic’s Chief Compliance Officer any violations of the Code.

We will provide a copy of the Code to any current or prospective client upon request. Please contact us at the telephone number or email address listed on the first page of this Brochure if you would like to receive a full copy of our Code at no cost.

Personal Trading by Mosaic Personnel. Our supervised persons (including “access persons”) generally reserve the right to buy, sell, or hold the same digital assets that we recommend to or purchase/sell for clients. This creates actual and potential conflicts of interest, including the risk that employees may benefit from price movements in digital assets also held or transacted by clients, or that employee trading could disadvantage clients. To address these conflicts, we have adopted policies and procedures as part of our Code. Among other things, we:

- Treat most digital assets as “reportable securities” for personal trading oversight.
- Require access persons to (i) pre-clear certain personal transactions (including ICOs, presales/SAFTs, private token rounds and other limited offerings), (ii) report holdings initially and at least annually, and (iii) report personal transactions quarterly.
- Obtain duplicate confirmations/account statements where feasible.
- Maintain restricted lists and impose blackout periods around client trading, model changes, research/publication, anticipated listings/delistings, protocol events, and other sensitive windows; during such periods, employee trading in impacted assets is prohibited or limited.
- Prohibit front-running and the misuse of MNPI, including nonpublic client trading intentions and nonpublic information obtained from protocol teams, exchanges, or service providers.
- Train employees on digital-asset-specific MNPI risks.
- Apply trade aggregation and fair, contemporaneous allocation policies designed to ensure that client opportunities are allocated equitably when aggregated with employee/firm accounts; clients receive priority where appropriate.
- Require CCO pre-approval for employee participation in staking/validator roles, governance activities, presales/airdrops, and for any outside business activity or compensation that could relate to digital assets (including token grants).

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- Prohibit principal transactions and agency-cross trades with clients in digital assets unless permitted by law, pre-approved by the CCO, and effected with required disclosures and client consents.
- Monitor personal trading through surveillance and periodic testing.

Notwithstanding these safeguards, there is no guarantee that Mosaic will successfully mitigate or eliminate all risks or actual and potential conflicts of interests arising from such personal trading activities.

Relationship among Clients and Partnership Series. The firm or its respective affiliates currently manage or expect in the future to manage several clients that pursue investment strategies similar to, overlapping with, or related to the investment strategy of each other. The obligation of the firm to offer certain investment opportunities to each client is subject to each client's respective Agreement. The management of multiple clients will create conflicts of interest for allocation of time, resources and investment opportunities. For example, client Agreements involve different terms and fee structures that incentivize the firm to make more (or less) of such investment opportunities available to a particular Account and therefore present conflicts of interest in respect of the managing and monitoring of such investments and evaluating and executing on disposition opportunities. Accordingly, the firm cannot assure equal treatment with respect to allocation of time, resources and investment opportunities.

Additionally, Mosaic serves as the investment manager for multiple Series of the Partnership, each involving the contribution and managed liquidation of tokens originating from the same issuer. Because each Series holds tokens in the same underlying issuer and is designed to monetize those tokens through a managed sell-down process (which could include the use of different options strategies), the timing, pricing, and volume of sales executed on behalf of one Series could adversely affect the market price or liquidity available for other Series, and there can be no assurance that the interests of one Series will not be prioritized over another in any given circumstance. The Series also operate under differing lock-up structures, potentially affording Mosaic greater flexibility to execute trades for one Series to the detriment of investors in another. Additionally, certain Series include investor consultation rights regarding options strategies and sell-down arrangements that others do not, which result in certain investors exercising influence over trading decisions that indirectly affect outcomes for investors in other Series. Such investors have conflicts of interest and could be incentivized to favor their own interests over those of others in exercising such consultation rights. While Mosaic intends to manage these conflicts in good faith and in accordance with its fiduciary obligations, seeking to allocate trading opportunities and manage sell-down timing in a manner that is fair and equitable across Series. However, investors should understand that conflicts cannot be entirely eliminated and that participation in any Series involves inherent risks and conflicts of interest.

Loan Arrangements; Principal Transactions. From time to time, the firm and its respective affiliates enter into certain loan arrangements with clients, including certain Series of the Partnership, which could constitute "principal transactions" within the meaning of the Advisers Act. A principal transaction occurs where an investment adviser, directly or indirectly, acting as principal for his own account, knowingly buys securities from or sells securities to an advisory client. Under Section 206(3) of the Advisers Act, principal transactions are prohibited unless the adviser (i) discloses to such client in writing before the completion of such transaction the capacity in which it is acting, and (ii) obtains the consent of the client to such transaction. Accordingly, for each loan arrangement with clients that Mosaic enters into that is subject to Section 206(3), the firm obtains informed written consent of the respective client's investors.

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Nevertheless, prospective investors should be aware that such arrangements present inherent conflicts of interest because Mosaic, as investment adviser, has financial and other incentives that may not be aligned with the interests of respective client or its underlying investors. For example, Mosaic has an incentive to cause a client to lend assets to Mosaic or its affiliates at prices or on terms that are more favorable to Mosaic or its affiliates than to the client. Mosaic may also face conflicts in allocating investment opportunities between the Series and other accounts managed by Mosaic or its affiliates, potentially favoring accounts in which Mosaic or its affiliates have a greater financial interest. There can be no assurance that any procedures or controls implemented by Mosaic to mitigate these conflicts will be effective in all circumstances or at all. Prospective investors should be aware that Mosaic's determination of what constitutes fair and equitable treatment in any particular transaction involves subjective judgments that could be influenced by its competing interests. The existence of these conflicts could result in the Series entering into transactions on terms that are less favorable than those that could be obtained from unaffiliated third parties in arm's-length negotiations. Accordingly, prospective investors should carefully consider the risks and potential for conflicts of interest associated with principal transactions.

Proprietary and Other Business Activities of the Firm. From time to time, the firm and its personnel make investments and take strategic positions in the market on a proprietary basis that could conflict with those being effected on behalf of or recommended to clients. Such investments could include, among others, public securities, commodities, and digital assets. These other investment activities could create conflicts of interest in that they incentivize the Firm to act on its own behalf which could conflict with the interests of a client or clients. The firm and its personnel engage, and expect in the future to engage, in a broad range of business, consulting and other investment activities substantially similar to and/or competitive with the portfolio investments made by clients, which could present conflicts of interest with the firm's investment management strategy. While such other activities are conducted independently, there could be instances where such activities related to or involve the same or similar digital assets considered by the firm for Mosaic clients. The performance of such digital assets could conflict with and adversely affect the performance of portfolio investments of a client, and adversely affect the availability of such opportunities. To address this, we have implemented policies and procedures to manage and mitigate any such risks and conflicts and to treat clients fairly and equitably over time. Clients are encouraged to reach out for further information on how these conflicts are addressed and to ensure their investment objectives are aligned with our management practices.

In addition, investments and other activities undertaken by the firm could affect the existing investments and/or investment opportunities of a client. For example, any such investment in a particular industry could limit the ability of a client to pursue other opportunities within the same or related industries. Additionally, portfolio companies in which the firm invests are expected to, from time to time, be in the same industry as, and compete with, a client's portfolio investments. In such instances, the firm will be free, in its discretion, to make recommendations and decisions with respect to the origination or disposition of such investments, independent of the recommendations and decisions made by the firm for the client. All such recommendations and decisions will be made for a client in a manner that the firm finds, based on its fiduciary duties and contractual obligations, appropriate given the investment objective, liquidity, diversification and other limitations of a client.

The firm also provides blockchain validator operations and related services, including validator node maintenance, system maintenance, incident management, security, documentation, and performance

optimization, to third parties on a non-exclusive basis pursuant to validator services agreements. These arrangements can give rise to conflicts of interest, as the firm allocates time and resources to non-investment management activities, the firm could obtain non-public information regarding blockchain networks or digital assets in which clients may invest, and the firm's economic interests in such service arrangements may not align with the investment objectives of its clients. The firm seeks to mitigate these conflicts through the implementation of policies and procedures designed to ensure fair treatment of clients.

Outside Business Activities of Mosaic Personnel. Certain Mosaic personnel, including Matthew Shaw, serve and may in the future serve, in roles affiliated and unaffiliated with Mosaic, its affiliates and clients, including on the boards of other companies, and as officers of industry organizations, and receive compensation in connection with such services and roles. Any compensation paid to such employees in connection with such services and roles will not offset or otherwise reduce a client's fees or expenses paid to Mosaic. The possibility exists that such unaffiliated companies or organizations could engage in related transactions that would be suitable investments for one or more clients, but in which a client might be unable to invest. Accordingly, conflicts could arise as a result of such participation, including with respect to the interests of such outside companies and organizations. In the event that an employee serving as a director becomes aware of material, nonpublic information, a client or Account may be temporarily prohibited from purchasing or selling related securities, which could have an adverse effect on the relevant client or Account.

Item 12 – Brokerage Practices

We do not currently make custodial recommendations and instead work with the custodian selected by the client upon entering into an advisory relationship with us or at any other time.

Soft Dollars

We don't have any soft dollar arrangements in which the firm receives research or other products or services other than execution in connection with client securities transactions.

Brokerage for Client Referrals

We do not recommend brokerage or custodial services, whether in exchange for referrals or otherwise.

Custodial and Brokerage Charges

We have no ability to determine or negotiate custodial brokerage charges, including "trade away" fees that may be charged by the custodian for trades executed outside the custodian's platform. In general, we seek to minimize overall transaction charges, including the impact of trade away fees, which typically requires executing and settling trades through the client's custodian. See the pricing disclosure of the custodian used for additional information.

Directed Brokerage

As noted above, clients are free to choose their own custodian and brokers. In most cases, we execute orders through the facilities of the selected custodian, though we will accept "directed brokerage," in which the client asks us to execute transactions through a particular broker. This can result in the trade away fees discussed above and which may lead to significantly more expensive executions.

Aggregation of Orders

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Where we believe it to be advantageous to clients who maintain their Accounts at the same custodian, we may aggregate orders for a security for the Accounts of multiple clients into a single transaction, often referred to as a “block” trade. In a block trade, each participating client receives a price that represents the average of the prices at which we executed all the transactions in that block. Block trades are usually executed to lower transaction costs and/or help clients achieve better execution. Accounts participating in a block trade share transactions costs on an equal and pro rata basis, unless a participating client has an agreement with the broker-dealer that specifically dictates the brokerage commissions and/or transaction fees that the client must pay. If the order is not filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner. We will only aggregate orders and allocate trades among clients whose Accounts are held in custody at the same custodian, and where the custodian permits us to do so. We are not obligated to include any client Account in a block trade. No client participating in a block trade will be favored over any other client that also participates in the same block trade.

Cross Transactions

We occasionally complete cross transactions on behalf of clients when we believe it is in the best interest of the clients. A cross transaction occurs when selling an asset from the Account of one client and buying it in the Account of another without entering into an open-market transaction. We will process cross transactions when the firm decides the Accounts involved would likely receive better overall execution through a cross transaction. This occurs most frequently with thinly traded or limited-market assets and is generally initiated because one client needs to liquidate an asset we are not currently recommending for sale, and another client wishes to purchase it.

Item 13 – Review of Accounts

Mosaic reviews portfolio holdings on an ongoing basis. Individual Accounts are reviewed through exception processing to ensure that portfolios are allocated within firm tolerances and consistent with client-provided data concerning objectives and requirements. Specific Accounts may also be reviewed at the request of the client, as described in the Agreement.

Mosaic may also review overall holdings and allocations or specific portfolios upon the occurrence of a triggering event, such as significant market movement, or a change in the client’s circumstances.

In addition to the trade confirmations and monthly or quarterly statements that clients receive from their custodian, Mosaic may provide reports as agreed with the client.

Item 14 – Client Referrals and Other Compensation

We maintain a variety of promoter relationships, in which a third-party endorses our services, introduces clients to us, and we pay that third-party a portion of our advisory fees. We pay promoters in accordance with applicable federal and state securities laws. Unless otherwise disclosed, any fees paid to promoters are solely from our investment management fee and do not result in any additional charge to the client. We require paid promoters to disclose to referred clients that they are not a client of Mosaic, that they are compensated for the referral, and to describe any material conflicts of interest they have in making the referral, including their receipt of ongoing referral fees.

Item 15 – Custody

All client assets are held at qualified custodians. In some cases, Mosaic may have authority to negotiate the terms of certain investment options and arrange for funding. The scope of this authority is described in the client Agreement, as well as in management agreements, powers of attorney, or other applicable documents. In these cases, Mosaic may, depending on the specifics, be deemed to have custody of client assets and will arrange for an annual surprise examination by a certified public accounting firm that meets the standards of independence described in rule 2-01(b) and (c) of Regulation S-X.

At least quarterly, the qualified custodian will send account statements directly to the client. These statements provide the official record of all transactions and disbursements in accounts during the period, including advisory fees directly deducted. We urge clients to compare the account statements they receive directly from their custodian to any reports we provide, and we encourage you to reach out to us with any discrepancies or questions you may have.

Item 16 – Investment Discretion

All of our Agreements are discretionary and our discretionary trading authority is described in those Agreements. We will not exercise discretionary authority without an executed discretionary Agreement.

Clients may request specific conditions that limit our discretionary authority. If we accept those limits, they will be documented in writing.

Item 17 – Voting Client Securities

We do not have authority to vote proxies. Clients may contact us with questions about particular proxies or solicitations.

Item 18 – Financial Information

We have no financial condition reasonably likely to impair our ability to meet our contractual commitments. Mosaic and its management persons have never been the subject of a bankruptcy petition. We do not require prepayment of fees of more than \$1,200 per client more than six months in advance.