



**Form ADV**

**Part 2A Brochure**

**March 29, 2024**

**Maverick Capital, Ltd.**

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This Brochure provides information about the qualifications and business practices of Maverick Capital, Ltd. and certain of its affiliates (“**Maverick**”). If you have any questions about the contents of this Brochure, please contact Maverick at (214) 880-4000 or [ir@maverickcap.com](mailto:ir@maverickcap.com). 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.

A copy of this Brochure and additional information about Maverick are also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Maverick has been registered as an investment adviser with the SEC since 1994. Maverick’s registration does not imply a certain level of skill or training.

This Brochure does not constitute (i) an offer to provide advisory services, (ii) an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein, or (iii) a complete discussion of the features, risks or conflicts associated with any such services or entities. Any offer to sell or solicitation of an offer to purchase securities of any entity described herein will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

## **Item 2 – Material Changes**

Maverick last revised its Brochure on Part 2A of the Form ADV on March 31, 2023. Below is a summary of the material changes that were made to this Brochure since March 31, 2023 (each capitalized term as defined below):

- Maverick noted that the Stable Funds are in the process of being prudently wound down.
- Maverick updated and expanded certain risk and conflict disclosures in order to maintain consistency with its current offerings and practices.

Please note the above summary does not reflect all of the changes that have been made to this Brochure since its last update. Maverick encourages all recipients of this Brochure to read it carefully in its entirety.

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#### **Item 4 – Advisory Business**

Since its founding in 1993, Maverick has been dedicated to the preservation and growth of investors' capital. Maverick's partners and employees are based in Dallas, New York, West Palm Beach, Miami and San Francisco. Maverick has been registered with the SEC since 1994 and the Commodities Futures Trading Commission (the "**CFTC**") since 2000.

Maverick manages the assets of the "**Maverick Funds**" (a group of funds employing traditional, fundamental investment strategies and offering primarily long/short and long only equity investment profiles), the "**Maverick Quantitative Fund**" (a fund employing quantitative strategies), the "**Maverick Stable Funds**" (a group of funds of funds), "**Maverick Seed**" (a fund of funds that invests in emerging managers), the "**Maverick Venture Funds**" (a group of funds making venture capital investments), "**Maverick Growth Fund**" (a private equity fund), "**Maverick Co-Investments**" (various co-investment vehicles) and has in the past and may in the future advise certain separate accounts including but not limited to accounts for clients that are pension/profit sharing plans, pooled investment vehicles sponsored by third parties or other institutional investors (the "**Separate Account Clients**"). The Maverick Funds, the Maverick Quantitative Fund, the Maverick Stable Funds, Maverick Seed, Maverick Growth Fund and the Maverick Venture Funds (collectively, the "**Fund Clients**" and, together with the Separate Account Clients, the "**Clients**") generally offer and sell their respective interests and shares in private transactions solely to accredited investors, qualified clients, qualified purchasers and certain employees of Maverick and its affiliates as more fully described in each fund's respective offering materials. From time to time, Maverick also may manage the assets of investment vehicles that accept investments only from Maverick employees and related entities.

Lee S. Ainslie III, a founder of the firm, has served as Maverick's Portfolio Manager since March of 1995. Mr. Ainslie focuses on risk and exposure decisions and has ultimate authority for all portfolio decisions of the funds under Maverick's management. Ben Silver and David Tykocinski jointly serve as the Chairmen of the Stock Committee for the Maverick Funds and are responsible for the selection of publicly-held securities and day-to-day trading decisions in respect of those funds. In the case of the Maverick Venture Funds, Mr. Ainslie and David Singer share joint investment authority. In the case of Maverick Growth and MDI (described below), Andrew Homan is the Chair of the Maverick Growth Investment Committee which also consists of other senior members of the investment team. In the case of the Maverick Stable Funds and Maverick Seed, Bates Brown is responsible for recommendation of investments to an investment committee chaired by Mr. Ainslie. Mr. Ainslie is the firm's largest principal owner. Maverick's total regulatory assets under management are approximately \$8,786,102,269.00. This reflects the regulatory assets under management as of December 31, 2023 for all Clients (as defined below). All such assets were managed on a discretionary basis.

#### **The Maverick Funds**

The Maverick Funds' investment performance is dependent upon the selection of long investments that outperform the market and short investments that underperform the market. Maverick's Hedged Equity Strategy ("**HES**"), which became the sole investment style of Maverick's original funds, Maverick Fund USA, Ltd. and Maverick Fund, Ltd. in March 1995, is designed to reduce exposure to macroeconomic risks and generate performance by maintaining a balance of long and short equity investments with low to moderate net market exposure. As a result, performance is intended to be primarily driven by the relative performance of Maverick's long and short investments rather than the performance of the markets.

Maverick currently manages a variety of different long/short equity profiles in the Maverick Funds. Certain Maverick Funds maintain different net and gross exposure targets, resulting in a range of risk/return profiles. Except for Maverick Long (as defined below), which generally does not make short investments, and subject to any other limitations and restrictions to which a particular Maverick Fund may be subject from time to time as described in its offering documents, each Maverick Fund generally invests in the same long and short publicly traded equity investments but in different proportions. Prior to 2021, Maverick USA, L.P., Maverick Fund, Ltd. and Maverick Levered also made investments in certain credit instruments and non-publicly traded equity securities while Maverick Long and Maverick Long Enhanced generally refrained from such investments. Starting in 2021, Maverick has provided investors in each of the Maverick Funds the opportunity to opt in or opt out of future participation in private investments through an investment in the newly created Maverick Designated Investment Fund, L.P. ("MDI"). Publicly traded investments in which multiple Maverick Funds (or other Clients utilizing HES) participate are generally allocated among such Clients to achieve holdings that are proportional to the net asset value of such Client's respective portfolios as adjusted for each such Client's exposure, leverage and other targeted parameters and taking into account each such Client's reasonably anticipated upcoming capital adjustments. For example, with respect to a Client that is structured to include a leverage feature that approximates the effects of a non-recourse borrowing by investors (*e.g.*, Maverick Fund II, Ltd.), such Client's net asset value for the purposes of making allocation determinations generally will be increased by the amounts obtained through the leverage feature. Participation by Maverick Funds in MDI in respect of private investments takes into account investors' elections to opt in to such participation.

This approach allows investors in the Maverick Funds to avail themselves of Maverick's stock picking skill while targeting the net and gross exposure levels that they believe are appropriate for their objectives. Four fund options break down into three basic exposure profiles – hedged equity, long-only, and long enhanced. (A leveraged version of Maverick's hedged equity profile accounts for the additional fund option.)

The Maverick Funds are:

- Maverick Fund USA, Ltd. ("**Maverick Fund**");
- Maverick Fund II, Ltd. ("**Maverick Levered**");
- Maverick Long Fund, Ltd. ("**Maverick Long**");
- Maverick Long Enhanced Fund, Ltd. ("**Maverick Long Enhanced**"); and
- Maverick HP, L.P. ("**Maverick HP**").

Maverick Fund generally targets consistent, low long/short ratios (typically between 1.4x and 1.7x) and low to moderate net exposures for the entire portfolio. Maverick Levered is managed in the same manner as Maverick Fund, except that the capital, or gross equity, in Maverick Levered is composed of investor capital and the proceeds of a leverage feature which approximates the effects of a non-recourse borrowing by investors of an amount generally equal to their invested capital. As a result, the exposure of Maverick Levered is up to approximately 200% of that which it would have been in the absence of such borrowing.

Maverick Long targets 100% long exposure and Maverick Long Enhanced and Maverick HP target 130% long exposure and 30% short exposure for an approximately 100% net exposure to the market but trading in their respective portfolios may increase or decrease their exposures within a band which could involve the use of leverage.

Maverick also manages Maverick Holdings C, L.P. ("**Holdings C**"), which is a single investment fund materially owned by Maverick Fund's feeder funds, Maverick Levered and certain other external investors.

### **The Maverick Quantitative Fund**

Maverick manages Maverick SDT Fund, L.P. (the "**Maverick Quantitative Fund**"), on behalf of which it employs quantitative investment strategies it has developed over time (the "**Quantitative Investment Strategies**") to invest its assets in a diversified portfolio of liquid long and short equity and equity-like positions. While Maverick will continually monitor the Maverick Quantitative Fund's portfolio, the operation of the Quantitative Investment Strategies and the markets in which the Maverick Quantitative Fund invests, Maverick generally expects to rely exclusively on the Quantitative Investment Strategies to determine the composition and weighting of the Maverick Quantitative Fund's portfolio holdings, and does not expect to override trading signals generated by the Quantitative Investment Strategies, though Maverick may do so to reduce exposure (or cancel all or a portion of certain trades) in certain circumstances where Maverick believes that the Quantitative Investment Strategies may inadequately account for related portfolio risk.

The Maverick Quantitative Fund is an internal testing vehicle for new strategies and trading techniques. The Maverick Quantitative Fund is not currently open to outside investors.

### **The Maverick Stable Funds**

Maverick manages the Maverick Stable Funds, multi-strategy funds-of-funds. As of the date of this brochure, the Stable Funds are no longer being offered for investment and Maverick has begun the process of prudently winding down the Stable Funds' portfolios.

The Maverick Stable Funds are:

- Maverick Stable Partners, L.P. ("**Stable Partners**"); and
- Maverick Stable Fund, Ltd. ("**Stable Fund**").

### **Maverick Seed**

Maverick manages Maverick Seed Master Fund, L.P., which invests in funds managed by startup, or emerging, hedge fund managers, where it has the opportunity to obtain participations in the fee streams of such managers in consideration for its capital investment commitments. Maverick Seed is not currently open to material external commitments.

### **The Maverick Growth Fund**

Maverick manages Maverick Growth Fund, L.P. ("**Maverick Growth**"), a private equity fund which seeks primarily to source private investments across various sectors, focusing on growth equity rounds of certain companies in the Maverick Ventures Funds portfolio which Maverick believes to be compelling, as well as other late-stage private companies. Maverick

Growth Advisors, LLC, an affiliate of Maverick Capital, Ltd., is the general partner of Maverick Growth and Maverick Co-Invest I, L.P.

### **The Maverick Venture Funds**

Maverick's affiliates, Maverick Capital Ventures, LLC ("**MCV LLC**"), MCV Management Company, LLC ("**MCV Management**") and Maverick Ventures Cycle 4 GP, LLC (together with MCV LLC and MCV Management, "**MCV**"), manage the Maverick Venture Funds, a group of funds that focuses on opportunities in the venture capital and private equity markets, with a concentration in the healthcare, software and consumer sectors. Maverick Capital Advisors, L.P. and The Singer-Kapp Revocable Trust are the largest principal owners of MCV. Maverick Capital, Ltd. and The Singer-Kapp Revocable Trust are the largest principal owners of MCV Management. Since February 2015, the Maverick Ventures Funds have been the primary vehicles for Maverick's investments in venture capital opportunities with a concentration in the healthcare, software and consumer sectors.

The Maverick Venture Funds are:

- Maverick Ventures Investment Fund, L.P. ("**Maverick Ventures**");
- Maverick Advisors Fund, L.P. ("**Maverick Advisors Fund**"); and
- Maverick Ventures Cycle 4 Serial Fund, L.P. ("**Maverick Ventures Serial Four**").

### **Maverick Co-Investments**

Maverick currently advises two co-investment vehicles each invested in a single investment, Maverick Co-Invest I, L.P. and Maverick Co-Invest II, L.P. Maverick may offer various different co-investment vehicles in the future, but does not guarantee any such co-investment vehicles shall be offered. Fees for co-investment vehicles vary.

### **Separate Accounts**

Additionally, historically and from time to time, Maverick manages Separate Account Clients on behalf of which it employs strategies similar to those of the Maverick Funds for institutional investors. Terms applicable to these Separate Account Clients (including any investment restrictions) are subject to negotiation and vary from those applicable to the Maverick Funds.

## **Item 5 – Fees and Compensation**

### **Performance Allocations, Management Fees, Expenses and Other Charges**

Maverick's current fee structures for applicable Fund Clients are summarized below.

- Each Fund Client is charged monthly or quarterly management fees, at the beginning of each accounting period, based on that portion of its net asset value (or such other reference amount specified in the offering documents of the applicable fund) attributable to management fee bearing investors. An allocable portion of the management fee is automatically deducted from each relevant investor's account at the beginning of the relevant accounting period.
- Other than as noted below, investors are generally subject to a performance allocation calculated on investment performance or, in the case of Maverick Long, Maverick Long Enhanced and Maverick HP, calculated on the excess of performance over a hurdle rate as further described in each applicable fund's respective offering documents. Performance allocations, if applicable to an investor's investment, are charged and automatically deducted from an investor's account at the end of each fiscal year and on any interim withdrawal of capital by, or other distribution of funds to, an investor. As further described in each applicable Fund Client's respective offering documents, the Maverick Funds other than Maverick Long, Maverick Long Enhanced and Maverick HP, are generally subject to a reduced performance allocation until an amount in excess of any loss incurred in a prior fiscal year has been recouped. With respect to all other applicable funds, such amounts are credited to the account of a Maverick affiliate, Maverick Capital Advisors, L.P., may be withdrawn from the fund at its request and are generally withdrawn annually or reinvested. Maverick Growth investors are generally subject to a 20% carried interest allocation after an 8% annualized preferred return. Maverick Ventures Investment Fund investors are subject to a 15% to 20% carried interest.
- Maverick has the discretion to waive payment of any management fee or performance allocation/fee and have done so for employees of Maverick and its affiliates who have invested directly or indirectly in the Fund Clients, as well as for certain other investors.

Investors in any fund that Maverick may advise in the future may bear different fees than those described herein.

#### **Maverick Funds, Maverick Quantitative Fund, Maverick Stable Funds, Maverick Seed, and Maverick Growth**

The Maverick Funds' and Maverick Growth's management fees and performance allocations/fees cannot be varied by fund investors from those available pursuant to the terms of the relevant offering memoranda. Investors in any fund that Maverick may advise in the future, or in additional classes or series of interests of existing funds, may be subject to fee or allocation rates that differ from those described below. Investors who purchased previously offered interests in the Maverick Funds may be subject to (i) lower (or higher) management fees and/or performance fees/allocations; and (ii) performance fees/allocations that are calculated differently in relation to the recoupment of losses incurred in prior fiscal years.



The management fee and performance allocation/fee rates applicable to the interests currently offered by the Maverick Funds, Maverick Stable Funds, Maverick Growth and Maverick Seed are provided below.

### **Maverick Hedged Equity Funds and Maverick Levered**

<u>Commitment Period</u>	<u>Management Fee</u>	<u>Performance Allocation</u>
One Year	1.50	20.0
Three Years	1.25	15.0
Five Years	1.00	10.0

*Fees for Maverick Levered are charged on gross equity (i.e., including the value of borrowings made pursuant to the fund's leverage feature, as described in the fund's private offering memorandum).*

### **Maverick Long**

Interests or shares in Maverick Long are subject to the following management fee rates if the investor elects not to pay a performance allocation:

<u>Commitment Period</u>	<u>Management Fee</u>
Monthly	1.75%
Three Years	1.50
Five Years	1.25

Interests or shares in Maverick Long are subject to the following management fee and performance allocation rates if the investor elects to pay a performance allocation:

<u>Commitment Period</u>	<u>Management Fee</u>	<u>Outperformance Allocation*</u>
Monthly	0.50%	25.0%
Three Years	0.50	20.0
Five Years	0.50	15.0

*\* The Maverick Long Outperformance Allocation is charged on the difference between the performance of Maverick Long (after management fees) and the MSCI World Daily Total Return Index. See the related private offering memoranda for additional detail.*

### **Maverick Long Enhanced & Maverick HP**

<u>Commitment Period</u>	<u>Management Fee</u>	<u>Outperformance Allocation*</u>
Monthly	**	15.0%
One Year	1.00%	20.0%
Three Years	1.00	15.0
Five Years	1.00	10.0

*\* The Maverick Long Enhanced Outperformance Allocation is charged on the difference between the performance of Maverick Long Enhanced (after management fees) and the average of the performance of the S&P 500 Index and the MSCI World Daily Total Return Index. As of May 1, 2024, new shares and interests in Maverick Long Enhanced shall pay an Outperformance Allocation on the MSCI World Daily Total Return Index. See the related private offering memoranda for additional detail.*

*\*\* The Management Fee for the Monthly Commitment Period is 0.8% on all Invested Capital (as defined below) up to and including \$250 million; 0.7% on all Invested Capital in excess of \$250 million and up to and including \$500 million; and 0.6% on all Invested Capital above \$500 million. This is currently the only series offered in Maverick HP.*

### **Maverick Stable Funds**

As of the time of this brochure, the Stable Funds are no longer offered.

### **Maverick Seed**

As of the time of this brochure, Maverick Seed is no longer offered.

### **Maverick Growth**

Investors in Maverick Growth, L.P. and Maverick Growth C.I., L.P. bear a management fee of 2% of the capital commitments and a carried interest of 20% over an 8% annualized preferred return. *See the related private offering memorandum for additional detail.*

### **Maverick Co-Investments**

Investors in Maverick Co-Invest I, L.P. bear a 1% management fee and a 10% profit sharing fee. Investors in Maverick Co-Invest II, L.P. do not pay a management fee and bear a 10% performance allocation subject to a hurdle rate as described in its Summary of Terms.

### **Early Withdrawals and Related Charges**

Capital withdrawn from the Maverick Funds or the Maverick Stable Funds before the conclusion of an investor's current commitment period (if any) may be subject to early termination or related charges.

In addition, investors in long-term classes of the Maverick Stable Funds who withdraw capital prior to the end of their current commitment period may be required to bear any penalty, charge or cost that the fund is required to incur in order to fund the early withdrawal.

Investors in the Maverick Funds have the ability to withdraw the annual gains without penalty. Maverick generally waives redemption fees on transfers among Maverick Funds.

### **Maverick Venture Funds**

MCV is entitled to receive from Maverick Ventures Funds quarterly management fees at the beginning of each accounting period, at an annual rate of 1.0% to 2.0%, depending on the circumstances. An investor's allocable portion of the management fees due to Maverick Ventures is included in the amount requested by the fund in its capital calls. Net realized income, gains and losses from Maverick Ventures Funds investments will generally be allocated 80% to 85% to investors and MCV, in proportion to capital commitments, and 15% to 20% to MCV, depending on the circumstances.

Management fees and carried interests are generally not charged with respect to Maverick Advisors Fund but are charged if an investor ceases to be an employee of Maverick or one of its affiliates. Expenses are generally allocated among the Maverick Venture Funds based on available capital. Investors in Maverick Advisors Fund will bear their pro rata portion of expenses, similar to those described for Maverick Ventures, based on their capital commitments (subject to adjustments for interim valuations and other matters set forth in the applicable governing documents).

Maverick Ventures Funds fees are not negotiable.

### **Expenses**

Investors in the Fund Clients will bear not only Maverick's fees, but also other fees and expenses of the funds as described in each fund's offering documents. Expenses borne by the funds typically include, but are not limited to, investment and operating expenses, financing costs, brokerage and custody expenses, research and other expenses incurred in connection with evaluating or monitoring actual or potential investment opportunities, fees paid to their directors (if any), expenses incurred in connection with the offering of interests to new investors, expenses related to the funds' compliance with applicable laws, the funds' audit, legal and administrative expenses, and other fund related expenses. The amounts and specific line-items related to such expenses are expected to vary and change over time. To the extent that Maverick or the relevant fund's general partner incurs expenses, including those listed above, on a fund's behalf, Maverick or the general partner is generally reimbursed by the relevant fund for such expenses, as described in the applicable offering memoranda. In addition, investors in the Maverick Funds, Maverick Quantitative Fund and Maverick Stable Funds are generally subject to an Expense Reimbursement Charge of up to ten basis points, subject to the class or series of their investment. Please see the applicable offering memoranda and audited financial statements for details. Investors in any fund that Maverick may advise in the future may bear different expenses.

Investors generally bear expenses of the Fund Client *pro rata* in accordance with their account balances as further described in each fund's offering documents. However, certain fees and expenses of the funds that are identifiable with a particular class of interests or class or series of shares, are charged solely to the relevant interests, class or series, as applicable. These include, by way of example, Series DX-A interests in Maverick USA, L.P. and shares in Maverick Fund, Ltd., which are specially charged (i) a servicing fee payable quarterly to the solicitor who introduced the investor of the applicable series to the fund, in an amount not to exceed 0.3% per annum of the net asset value of such interests or shares in the relevant fund, and (ii) a fixed fee for such interest or share placement services, payable to the solicitor annually in an amount not to exceed \$75,000. As of the date of this brochure, Series DX-A shares and interests are no longer offered. These also include the differing management fee and performance allocation rates that are attributable to various classes or series of shares and interests issued by the Maverick Funds and the Maverick Stable Funds described above.

All expenses arising out of Maverick Ventures' ordinary operations are paid by MCV. The Maverick Ventures Funds bear all of their own organizational expenses, administrator and valuation consultant costs and all costs incurred in the investigation, purchase, holding or sales of securities (including reimbursement for travel based on economy or coach fare class) as well as all legal, audit, consulting, registration, insurance, partner communications and meetings, financial fees and extraordinary expenses. Investors in Maverick Ventures Funds will bear their *pro rata* portion of these expenses based on their capital commitments (subject to adjustments for interim valuations and other matters set forth in the applicable governing documents).

Maverick's investment management agreements with its clients generally provide that the client will indemnify, and not hold liable, Maverick and its affiliates for certain expenses, losses and claims that may arise in connection with the performance of its duties (including management of the client's investments and execution of investment trades), provided that such persons' conduct has not breached the applicable standards of conduct (*i.e.*, the relevant actions were, in general, taken in good faith and did not involve willful misconduct, gross negligence, a violation of federal or state securities laws or criminal wrongdoing). (In the opinion of the SEC, an agreement to waive or indemnify against certain liabilities under the federal securities laws is against public policy and therefore may be unenforceable.) Maverick's investment management agreements with the Maverick Funds are terminable generally as of the last day of any quarter upon not less than 60 days prior written notice to Maverick and provide that Maverick will refund any unearned management fee paid prior to termination. Maverick's investment management agreement with Maverick Growth terminates automatically at the termination of the fund. The management services agreement in respect of the Maverick Ventures Funds terminates by notice or following a certain period after the dissolution of the funds.

Certain Clients will incur brokerage and transaction costs. See Item 12 – Brokerage Practices. Neither Maverick nor its officers or employees accept compensation for the sale of securities or other investment products to its clients.

### **Separate Accounts**

Maverick does not have a standard fee structure for Separate Account Clients. The amount and terms of payment of fees related to Separate Account Clients are addressed in their respective advisory agreements.

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

Maverick currently charges and may in the future charge performance-based allocations/distributions/fees to its Clients. In certain Fund Clients, investors may choose a management fee only class or series. As a result, a portion of Maverick's fees from such Fund Clients is based solely on a management fee and a portion is based on a performance allocation or a combination of performance allocations and management fees. Similarly, in the context of a separate account relationship, a client may agree to pay Maverick a performance-based fee, a management fee or a combination of the two.

Because Maverick manages accounts for multiple Clients, the potential exists for one Client to be favored over another Client. Maverick has an incentive to favor Clients that pay higher performance-based compensation or higher asset-based fees or, potentially, that use a higher degree of leverage. In addition, certain affiliates and employees of Maverick (as well as their respective principals and certain personnel) invest in a number of Clients. Because of the allocation of proprietary capital, Maverick has an incentive to favor Clients that contain more proprietary capital.

There are additional actual and potential conflicts of interest inherent in Maverick's organizational structure and operation, certain of which are described below. The discussion below does not purport to be a comprehensive discussion of all of the conflicts of interest associated with Maverick or an investment in any Client. Each Client's offering memorandum, investment management agreement, sub-advisory agreement, prospectus and supplemental disclosure document or other governing document, as applicable, contain additional information with respect to the actual and potential conflicts associated with an investment in such Client.

Maverick from time to time causes or advises Clients to make investments that differ from or are identical to those made for other Clients. In some cases, Maverick makes trading decisions for one Client to take a position opposing a position in the same security held by another Client, or in a different class of securities of the same issuer as are held by another Client. Such trading decisions could cause a Client to transact with another Client. Maverick does not have any obligation to engage in any transaction or investment for a Client or to recommend any transaction to a Client that Maverick engages in for the benefit of the account of any other Client except as otherwise required by each Client's offering materials or applicable law.

In addition, in investing and trading for any Client, Maverick makes use of information obtained in the course of investing and trading for any of its other Clients, and Maverick will have no obligation to compensate such other Clients or their investors for Maverick's use, or its Client's receipt, of such information nor to account for any profits earned from Maverick's or its Client's use of such information.

Although Clients may pursue investment objectives that are similar to each other, the portfolios of such Clients can be expected to differ as a result of differences in the investment strategies employed on their behalf, differences in long-short exposure and leverage parameters, purchases and redemptions being made at different times and in different amounts, different investment mandates and restrictions and because of different tax and regulatory considerations.

Maverick may periodically rebalance certain Client portfolios, or certain positions held within the Client portfolios, with the portfolios of other Clients to the extent that such rebalancing transactions comply with applicable law and will involve only securities for which market quotations are readily available. Such transactions generally will be effected directly between accounts or through a broker at the last sales price for the relevant security on the principal

exchange or other market on which such security is traded on the date of the relevant transaction (or on the immediately preceding day if the transaction is effected at the opening of the market).

Each Client may hold substantial positions in securities owned by other Clients from time to time. Such holdings may impede the ability of any given Client to add to or dispose of its position readily due to commercial, legal, regulatory and/or other considerations (including, for example, if such holdings are required to be aggregated for various regulatory purposes), potentially to the detriment of any given Client.

In addition, such considerations will, at times, impact Maverick's ability to conduct certain types of fundamental research. Maverick will also, at times, be obligated to restrict trading in certain securities due to its research and other activities on behalf of certain Clients, potentially to the detriment of other Clients.

Maverick trades the assets of certain Clients pursuant to execution strategies that differ from those that it employs on behalf of other Clients (including differing use of market orders and limit orders), potentially also resulting in more or less favorable results in the case of transactions for such other Clients in the same securities at substantially the same time.

Maverick does not currently anticipate using its Quantitative Investment Strategies on behalf of Clients other than the Maverick Quantitative Fund. Maverick expects to program each such Quantitative Investment Strategy to generate goal positions at specific intervals (based on, without limitation, the nature of the Quantitative Investment Strategy and the nature and frequency of release of the data underpinning each such Quantitative Investment Strategy (the "**Underlying Data**")). All of the Underlying Data is shared throughout Maverick and much, if not all, of it is expected to be used in the management of the Maverick Funds, the Maverick Quantitative Fund and certain other Clients. Maverick expects to utilize certain other information gathered from external sources, together with certain internal analysis and other work product in the management of the Maverick Funds that is not factored into the Quantitative Investment Strategies. However, Maverick expects to use certain raw versions of the Underlying Data in the Quantitative Investment Strategies that is not available to the fundamental analysts performing research on behalf of the Maverick Funds until it has been processed by Maverick's Quantitative team. For this and other reasons, certain investment decisions using the Underlying Data may be made on behalf of the Maverick Quantitative Fund more quickly than Maverick is able to make decisions on behalf of the Maverick Funds.

Certain affiliates and employees of Maverick have a material portion of their proprietary capital invested in the Maverick Quantitative Fund which is not currently open to external investors. Therefore, Maverick may be incentivized to develop quantitative tools for analyzing and utilizing the Underlying Data to benefit the Maverick Quantitative Fund in ways that could enhance their future performance without necessarily enhancing (and while potentially detracting from) the future performance of other Clients.

Participation in specific investment opportunities may be appropriate, at times, for multiple Clients. Maverick Venture Funds have priority on venture capital investments and certain other investments, subject to applicable exposure and concentration guidelines and limits. Other private investments are allocated between MDI and Maverick Growth Fund using the methodology described in their respective offering materials, before being offered to other Clients. For other investments, if there is a limited supply of a security or if a security is available on a basis that does not satisfy the mandates of all relevant clients, Maverick will allocate or rotate investment opportunities in a manner it believes is equitable, but it cannot assure, and assumes no responsibility

for, equality among all Clients. In such cases, participation in such opportunities will be allocated (or rotated), taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the Clients for which participation is appropriate. To the extent permitted by law, Maverick will be permitted to bunch or aggregate orders for multiple Clients.

In addition to expenses paid with soft dollars (as described below), Clients may share other types of expenses. For example, the Maverick Funds and the Maverick Quantitative Fund are generally expected to share in certain data costs *pro rata* based on their relative net asset values. Such data costs will be allocated without regard to the relative profits of each Client attributable to the use of such data, and without regard to the relative frequency of use or extent of reliance by each Client on the purchased data.

## **Item 7 – Types of Clients**

Maverick provides advisory services to hedge funds, funds of funds, funds making venture capital investments, a private equity fund and related co-investment vehicle, other pooled investment vehicles and institutional investors. From time to time, an investor will request a Separate Account Client in lieu of investing in a Fund Client. Maverick will manage Separate Account Clients on a case-by-case basis taking into consideration factors including the minimum amount of assets to be managed, the complexity of the proposed account and other investment requirements or restrictions. As described elsewhere herein, the Maverick Funds and the Maverick Quantitative Fund generally invest in publicly-traded equity securities; prior to 2021, Maverick USA, Maverick Fund and Maverick Levered also made investments in certain credit instruments and non-publicly traded equity securities however since July of 2021 the Maverick Funds have made private investments through Maverick Designated Investment Fund, L.P. (“MDI”); Maverick Growth generally makes private investments in late-stage private companies alongside MDI; the Maverick Venture Funds generally make venture capital investments; the Maverick Stable Funds generally invest in other hedge funds; Maverick Seed generally invests in, and alongside, emerging hedge fund managers; and Maverick manages separate accounts from time to time for institutional investors employing strategies similar to those of the Maverick Funds.



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

The description of methods of analysis and investment strategies described below generally relates to Clients in which outside investors may invest and is not intended to be exhaustive or to limit the services that Maverick may provide. The methods of analysis and investment strategies may differ from Client to Client and any specific method and strategy described below should only be attributed to those Clients named in the header of each subsection. The methods of analysis and investment strategies Maverick pursues entail substantial risks, and no assurance can be given that the investment objective of any Client or investor will be achieved.

### **The Maverick Funds’ Methods of Analysis and Investment Strategies**

Maverick’s investment process employed on behalf of the Maverick Funds is driven by intensive, fundamental bottom-up research. Maverick generally does not attempt to time the markets or focus on weightings relative to any index. By purchasing certain securities while selling other securities short, Maverick seeks to reduce macroeconomic risks of each of the Maverick Funds (other than Maverick Long) and to achieve favorable investment performance through long and short security selection.

Maverick’s research is augmented by a top-down view of individual industries, as well as the efforts of Maverick’s quantitative research team. Maverick has integrated its bottom-up, fundamental approach with a proprietary quantitative model, MavRank which recommends position sizes based on its systematic review of factors correlated with success and failure in different market environments. In this system, both conventional external factors and inputs related to Maverick’s fundamental evaluations and conclusions have been melded together. While fundamentals still drive security selection, the quantitative research effort plays an important role in Maverick’s portfolio construction, security selection and risk management.

Maverick deploys capital to individual investment opportunities that it believes offer the highest returns relative to risk, regardless of index weightings, market capitalization or style orientations. Maverick believes that the research process should be somewhat tailored to individual industries (*e.g.*, the driving factors behind financial and technology stocks can differ significantly). Therefore, the sectors enjoy the flexibility to analyze and to evaluate stocks with methodologies and approaches that they judge to be the most relevant for their respective industries. Sector teams seek to evaluate the strengths and weaknesses of individual management teams, develop a deep understanding of each company’s competitive position, and analyze the key drivers of each business and the sustainability of these factors in an effort to identify the “winners” and “losers” in each industry. Maverick seeks to identify and to take advantage of discrepancies between its views and conventional market views.

Maverick’s investment team is organized into four industry sector teams (Consumer, Healthcare, Cyclical and Technology). The industry sector teams are supported by two discipline research teams (private investments and quantitative).

As Portfolio Manager focusing on risk and exposure decisions, Lee Ainslie has ultimate responsibility for all portfolio decisions for Maverick Funds and related Separate Account Clients. The Maverick Funds’ portfolios are generally diversified and utilize position size limits. As Co-Chairmen of the Stock Committee for the Maverick Funds, Ben Silver and David Tykocinski are responsible for the selection of publicly held securities and day-to-day trading decisions for Maverick Funds. The Maverick Growth Investment Committee, chaired by Andrew Homan, oversees Maverick Funds’ private investments (and is described further below).

### **The Maverick Quantitative Fund's Methods of Analysis and Investment Strategies**

Maverick's investment process employed on behalf of the Maverick Quantitative Fund is driven by the development, selection and use of Quantitative Investment Strategies. The Quantitative Investment Strategies may include, among other things, processes based on the systematic application of Maverick's fundamental multi-factor investment approach and processes based on the systematic utilization of real-time business intelligence to gain insight into certain fundamental business drivers. While Maverick will continually monitor the Maverick Quantitative Fund's portfolio, the operation of the Quantitative Investment Strategies and the markets in which the Maverick Quantitative Fund invests, Maverick generally expects to rely exclusively on the Quantitative Investment Strategies to determine the composition and weighting of the Maverick Quantitative Fund's portfolio holdings, and does not expect to override trading signals generated by the Quantitative Investment Strategies, though Maverick may do so to reduce exposure (or cancel all or a portion of certain trades) in certain circumstances where Maverick believes that the Quantitative Investment Strategies may inadequately account for related portfolio risk. Such circumstances may include, for example, corporate actions, mergers and acquisitions events, geopolitical events, acts of god and similar circumstances.

Both the utilization and weighting of the various Quantitative Investment Strategies that Maverick employs on behalf of the Maverick Quantitative Fund are expected to change over time. Maverick expects that, on behalf of any given Maverick Quantitative Fund, Maverick will periodically materially modify the Quantitative Investment Strategies, deploy one or more additional Quantitative Investment Strategies or discontinue the use of any given Quantitative Investment Strategy.

Lee Ainslie is supported by the Maverick Quantitative Team in his oversight of the Maverick Quantitative Fund's portfolios.

### **Maverick Growth Fund's Methods of Analysis and Investment Strategies**

The investment strategy of Maverick Growth focuses on four key phases: sourcing, evaluating, owning, and selling investments. Maverick seeks to utilize its proprietary deal flow to work with entrepreneurs across the entire lifecycle of their private companies, particularly later stage companies. The strategy is overseen by the Maverick Growth Investment Committee, which is chaired by Lee Ainslie and includes members of Maverick's public equity team as well as Maverick's ventures team, with extensive expertise of evaluating investments in healthcare, technology, and fintech sectors, on which the Maverick Growth Fund expects to focus. Maverick expects to utilize its deep industry research capabilities to help portfolio companies with market research, competitive intelligence, introductions to potential customers, business model optimization and forecasting, as well provide access to other resources. Maverick also expects to bring to bear its experience in the public markets to help portfolio companies in their evaluation of and preparation for life as a public company, as well as other potential exits.

### **The Maverick Venture Funds' Methods of Analysis and Investment Strategies**

MCV and MCV Management apply Maverick's deep fundamental research process to seed and venture private investments in their management of the Maverick Venture Funds. By applying

this process and the core principles that have guided Maverick with respect to its earlier private investments in Maverick USA, Maverick Fund and Maverick Levered, Maverick believes that it differentiates itself in its ability to source, evaluate, own and sell investments. Collaboration with Maverick's public equity team of investment analysts provides a depth of industry knowledge and due diligence when considering private investments. The Maverick Venture Funds have access to deal flow that has resulted from investments historically made by certain of the Maverick Funds. Lee Ainslie and David Singer jointly exercise investment authority with respect to the Maverick Venture Funds' portfolios.

### **Separate Accounts' Methods of Analysis and Investment Strategies**

Separate Account Clients historically managed by Maverick generally follow the investment strategies of one of the Maverick Funds, provided however, that the investment management agreements related to such accounts may vary certain aspects of these strategies (including but not limited to limitations on certain types of investments, use of leverage or investments in specific issuers, or limitations on trading counterparties).

### **Risk of Loss – Generally**

Clients and their investors should be aware that the investment strategies Maverick uses on their behalf involve a risk of loss that investors must be prepared to bear. The following risk factors do not purport to be a complete description of the risks inherent in such investment strategies. For a more complete description of these risks and other risks related to any of the Clients, please refer to the applicable offering documents or other relevant disclosure material.

### **General Market Risks**

In the past, there have been periods marked by severe market volatility, financial institution failures, sovereign debt crises, sanctions and large-scale financial fraud. The duration, severity, and ultimate effect of such market conditions and government responses thereto cannot be predicted. Deterioration in market conditions could result in declines in the market values of Client investments and diminished investment opportunities for the Clients, and could prevent Clients from successfully executing investment strategies, cause Maverick to alter investment strategies or require Clients to dispose of investments at a loss.

### **Expenses**

A smaller fund size may cause an increased expense burden by the investors in that particular fund. Any Client will pay and bear all Client expenses related to its operations and investment activities. The amount of Client expenses will be substantial and will reduce the actual returns realized by investors on their investment in the Client (and will reduce the amount of capital available to be deployed by the Client in portfolio investments). As described further in the governing documents for each Client, Client expenses encompass a broad range of expenses. A client may, under certain circumstances, bear broken deal expenses associated with unconsummated transactions in excess of the amount of the Client's share of such investment had such investment been consummated (e.g., to cover the portion thereof attributable to any co-investors or other parties that may have invested in an unconsummated investment had it been consummated that do not bear such broken deal expenses), and in such circumstances the amount of expenses borne by a Client (and allocated pro rata to all Investors, without taking into account

any applicable excuse or exclusion of any investor) would increase. Travel and related expenses described in a Client's governing documents generally include, without limitation, airfare (which may include use of private or chartered aircraft) at first class and/or business class rates, lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals (outside normal business hours), and social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers). Travel and related expenses in connection with a trip taken by employees of Maverick and its affiliates for purposes of multiple matters will be allocated by Maverick at its discretion.

#### *Highly Volatile Instruments*

The values of investment positions can be highly volatile. Price movements of derivative contracts may be influenced by, among other things, interest rates, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, and national and international political and economic events. In addition, governments may intervene in certain financial markets for the purpose of influencing the values of particular securities or the broad direction of those markets, and the effects of such intervention on an ongoing basis cannot be predicted.

#### *Cybersecurity Risks*

Maverick's business involves the processing, storage and use of large quantities of data, including personally identifiable information of investors and information about Clients' underlying investments. Maverick has created systems and procedures designed to protect this information from loss or theft. Despite the various protections Maverick has put in place, however, Maverick's systems, networks and devices are potentially susceptible to breach. The techniques used in a cyberattack are often hard to detect and change frequently. In addition, hardware or software that Maverick acquires from third parties may contain a defect that could compromise the security of Maverick's or its Clients' information.

Cybersecurity risks include potential unauthorized access to Maverick's and/or Clients' data, devices or systems; infection by computer viruses or other malicious code; and attacks that could disable or degrade service or sabotage Maverick's systems. A cybersecurity breach could cause disruption to Maverick's business operations, including limiting Maverick's ability to trade or transact business with other service providers, and interfering with Maverick's ability to calculate valuations of investments, potentially resulting in financial losses to the Clients. Such a breach could also cause a violation of applicable privacy laws and could result in regulatory fines, penalties, reimbursement or other compensation costs and reputational damage.

In addition, the Clients could be impacted by cybersecurity breaches affecting the issuers of securities in which they invest, the counterparties with which they transact, governmental and other regulatory authorities, securities exchanges, broker/dealers, banks and other parties.

#### *Recent Regulatory Developments*

The regulatory environment in which Maverick operates is undergoing wide-ranging reform on a global basis. New legislation as well as changes to existing legislation have been proposed and/or recently adopted in a number of jurisdictions that are expected to alter, in a variety of ways, the manner in which the investment fund industry is regulated. Although it is difficult to predict which proposals will become law and when and how new legislation will ultimately be implemented by regulators (including in respect of the extraterritorial effect of reforms), it is likely

that significant aspects of existing regulatory regimes governing investment funds will change. These include changes in the way Clients generally are regulated and restrictions on the conduct of certain lines of business. The scope and pace of such reforms vary from jurisdiction to jurisdiction and have been particularly expansive within the United States and Europe. Provisions in the Dodd-Frank Act, European Market Infrastructure Regulation, implementation of the Basel III capital and liquidity standards in the U.S. and the European Union (EU), as well as provisions in the proposed recast Markets in Financial Instruments Directive (2004/39/EC), could, individually or in the aggregate, have substantial adverse effects on Maverick's ability to successfully pursue the various Clients' investment objectives.

#### Limited Liquidity

An investment in the Fund Clients is suitable only for sophisticated investors that have no need for immediate liquidity in their investment. Such an investment provides limited liquidity since the securities are not freely transferable. There is no public market for the Fund Clients, and it is not expected that a public market will develop.

#### Portfolio Valuation

Valuations of the Fund Clients' portfolios will affect the amount of the management fee and the performance allocation earned by Maverick, as well as the determination of the value of shares or interests in the funds of investors making new investments or requesting redemptions. In certain cases, these valuations will involve uncertainties and determinations based on judgments of Maverick as described in each Fund Clients' offering memorandum.

#### Counterparty Risk

Counterparties of derivative contracts and other instruments may default on their obligations under those instruments and certain events may occur that have an immediate and significant adverse effect on the value of those instruments.

#### Insolvency Risk of Market Intermediaries

Transactions entered into by the Clients may be executed on various U.S. and non-U.S. exchanges, and may be cleared and settled through various clearing houses, custodians, depositories, broker-dealers and prime brokers throughout the world. While U.S. rules and regulations applicable to these market intermediaries may offer significant protections to the assets of the customers of such clearing houses, custodians, depositories, broker-dealers and prime brokers if one of them were to become insolvent, the assets of a Client held at such market intermediary could be at risk. For example, while U.S. brokers are required to segregate customer assets from their proprietary assets and are required to hold specified amounts of capital in reserve, customer assets are normally held in pooled customer accounts for the benefit of all customers and not specifically in the name of a given Client. Additionally, the broker may be able to transfer customer assets out of such customer accounts in the ordinary course of its business. A Client could experience losses if the broker's customers' aggregate claims exceeded the amount of customer assets such broker actually held at the time of the insolvency. In addition, while the return of customer property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), each Client may be unable to trade the securities that were held by the insolvent broker during this transfer period. The assets of a Client also may be held by non-U.S. brokers. Although certain non-U.S. jurisdictions provide similar protections for customer assets, there can

be no assurance that a Client will not experience losses in any insolvency of such a non-U.S. broker.

Maverick will attempt to execute, clear and settle transactions on behalf of the Clients through entities that Maverick believes to be sound, but there can be no assurance that a failure by any such entity will not lead to a loss to impacted Clients. In addition, the U.S. Commodity Futures Trading Commission, the U.S. Securities and Exchange Commission, other regulators, self-regulatory organizations and exchanges in the United States and other countries are authorized to take extraordinary actions in the event of market emergencies. Such actions could lead to losses as a result of delay in settling transactions or other circumstances.

#### *Force Majeure*

Maverick and Maverick's Clients' investments may be affected by *force majeure* events (such as fires, floods, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, company breakdowns, failures of technology, accidents, government policies, or social instability). Some *force majeure* events may adversely affect the ability of Maverick, its counterparties, issuers in the Clients' portfolios or other parties to perform their obligations, either temporarily or permanently. These risks could, among other effects, adversely impact the cash flows available from a counterparty or such issuer, cause material losses or instigate disruptions of service. In addition, the direct and indirect costs to an issuer and/or to a Client of remediating the impact of such *force majeure* events could be considerable. Certain *force majeure* events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the U.S. and world economy and business activity generally, or in any of the countries in which Clients may invest specifically, resulting in significant losses. The attendant government intervention, such as the nationalization of an industry, assertion of control over one or more companies or assets, or regulatory restrictions (such as prohibitions on financial activities, like short selling bans or additional reporting requirements), could also impact Maverick's investment activities. Finally, any such *force majeure* events may impact Maverick's operations, causing Maverick to implement all or part of its business continuity or disaster recovery plans. Any of the foregoing may adversely affect the performance of Clients and cause significant losses.

#### *Indemnification and Exculpation*

The Clients' governing documents and/or agreements with Maverick generally contain broad exculpation and indemnification provisions that exculpate Maverick and certain other persons from certain liabilities and require each Client to hold Maverick and such other persons (as applicable) harmless from certain losses or costs incurred by them. In general, under these standards Maverick will not be liable for negligent or other actions taken in connection with its investment management responsibilities, including recommendations to and trading activities on behalf of a Client, unless such actions involve gross negligence, willful misconduct, a violation of federal or state securities laws or criminal wrongdoing. Maverick will not be indemnified or exculpated if such exculpation and indemnification would violate applicable law. The Fund Clients' agreements with other service providers may contain similar indemnification and exculpation provisions.

#### *Environmental, Social and Governance Considerations*

The management of environmental, social and governance ("ESG") factors forms an important part of the due diligence process implemented by Maverick. When assessing the ESG factors associated with underlying investments, Maverick is, among other things, assessing the risk that the value of such investments could be materially negatively impacted by an ESG event or

condition. Accordingly, Maverick seeks to incorporate an understanding of relevant ESG considerations into its fundamental investment approach and to factor such considerations into its investment and ownership methodologies when Maverick believes that they are material to a specific investment. In addition, Maverick seeks to incorporate ESG considerations into its investment processes on a systematic basis through the use of one or more third-party ESG ratings providers.

While Maverick seeks to incorporate ESG considerations into its investment processes, it generally believes that the research process should be tailored to the relevant sector (e.g., the driving factors behind financial stocks can differ significantly from those behind technology stocks). Therefore, Maverick's personnel who cover particular sectors enjoy the flexibility to analyze and to evaluate stocks with methodologies and approaches that they judge to be the most relevant to those sectors, including their methodologies and approaches to incorporating ESG considerations (if any) into their analysis. In general, Maverick believes that ESG considerations can have a material impact on a number of factors considered by its various sector teams in their analysis, including the strengths and weaknesses of individual management teams, portfolio companies' competitive positioning, key business drivers and the sustainability of these factors.

On a systematic basis, Maverick relies on proprietary quantitative models developed by Maverick's quantitative research team. Maverick has integrated its bottom-up, fundamental approach with proprietary quantitative models that recommend position sizes based on its systematic review of factors correlated with success and failure in different market environments. Maverick works to ensure that these factors include ESG ratings gathered through one or more third-party ESG ratings providers. While fundamentals still drive security selection, the quantitative research effort plays an important role in portfolio construction, security selection and risk management.

Despite the practices that Maverick has implemented to incorporate an understanding of relevant ESG considerations into its investment processes, there can be no assurance that such practices will be effective or that ESG considerations will not lead to losses.

#### *Changes in Investment Focus*

While the Funds' offering memorandums contain descriptions of the types of investments that the Maverick has historically made and information about the expectations with respect to any given Fund or Client, many factors may contribute to changes in emphasis in the construction of a portfolio, including changes in market or economic conditions or regulation applicable to particular industries or sectors and changes in the political or social situations in particular countries. As a result, Maverick may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. There can be no assurance that the investment portfolio of a Client will resemble the portfolio of any prior Client or the private investments previously made by any Client managed by Maverick.

#### *Non-U.S. Investments*

The Clients invest substantial amounts outside the United States in non-U.S. dollar-denominated positions, including in securities issued by non-U.S. companies. These positions involve special risks not usually associated with investing in securities of U.S. companies, the U.S. federal government or U.S. state or local governments. Because investments in non-U.S. issuers may involve non-U.S. dollar currencies and because the Clients may incur obligations or temporarily hold funds in such currencies, Clients may be affected favorably or unfavorably by

changes in currency rates (including as a result of the devaluation of a foreign currency) or in exchange control regulations and may incur transaction costs in connection with conversions between various currencies. Any Client may also be substantially more difficult to effect hedging transactions in foreign markets than it is typically in the United States.

In addition, because non-U.S. entities are not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in foreign countries than there is in the United States. Some foreign securities markets have a higher potential for price volatility, government intervention and relative illiquidity compared to the U.S. securities markets. With respect to certain countries, there may be the possibility of: expropriation or confiscatory taxation; political, economic or social instability; changes in governmental administration or economic monetary policy; limitation on the removal of funds or other assets or the repatriation of taxes on interest, capital gain or other income; import duties or other protectionist measures; credit controls; various laws enacted for the protection of creditors or others; and greater risks of nationalization or diplomatic developments that could adversely affect the Client's investments in those countries. The value of a Client's investments may be affected by inflation, interest rates, taxation, commodity prices and other political and economic developments in or affecting non-U.S. countries. While Maverick intends to manage the Clients in a manner that will minimize the exposure of such risks, there can be no assurance that adverse political or economic developments will not cause any Client to suffer a loss on its positions.

Transactions in foreign markets may be subject to regulatory requirements not comparable to those applicable in the United States or not readily ascertainable. The application of non-U.S. tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may affect investment in non-U.S. securities. Costs associated with transactions in non-U.S. securities (including brokerage, execution, clearing and custodial costs) may be substantially higher than costs associated with transactions in U.S. securities. Such transactions also involve additional costs for the purchase or sale of currencies in which a Client's investments are denominated in order to settle such transactions.

#### *In-Kind Distributions*

There can be no assurance a Client will have sufficient cash to satisfy withdrawal requests, or that it will be able to liquidate positions at the time of withdrawals or at favorable prices. Further, a Maverick Fund generally will not permit withdrawals from a Designated Investment (as described below) sub-account, and distributions to investors that have fully withdrawn corresponding to a Designated Investment sub-account will be dependent on Maverick's determination of a realization event or deemed realization with respect to the applicable Designated Investment, which determination will be made in Maverick's sole discretion. Under the foregoing circumstances, and under other circumstances deemed appropriate by Maverick, an investor may receive an in-kind distribution (i.e., securities) from the fund. Any in-kind distributions will be made on a non-discriminatory basis, provided that if any investor notifies Maverick that receipt by such investor of particular securities would constitute a violation of law, Maverick will not distribute such securities to such investor. Distributed securities may not be readily marketable or saleable and may have to be held by such investor for an indefinite period of time. The risk of loss and delay in liquidating these securities will be borne by the investor, with the result that such investor may receive less cash than it would otherwise have received on the date of withdrawal.



## **Risk of Loss – The Maverick Funds**

### **Investment and Trading Risks**

The Maverick Funds incur risks associated with, among other things, security selection, selection of investment instruments and counterparties, leverage and short sales. Maverick endeavors to minimize such risk through portfolio construction, use of loss limit rules, maintenance of liquidity and monitoring. The Maverick Funds must also bear portfolio maintenance expenses, including trading commission costs.

### **Market Valuations**

The success of the Maverick Funds' investment and trading activities will depend in part upon Maverick's ability to identify overvalued and undervalued investment opportunities. Identification and exploitation of such opportunities involves a high degree of uncertainty. No assurance can be given that Maverick will be able to identify suitable investment opportunities in which to deploy all of the Maverick Funds' capital or that the capital markets will value such opportunities in a manner consistent with Maverick's expectations.

### **Concentration of Holdings**

Although Maverick has adopted informal guidelines on diversification with respect to the Maverick Funds, those guidelines are subject to change by Maverick, and there are no limits on Maverick's investment discretion that require diversification by issuer, industry or market or that impose position size limitations. At any given time, it is therefore possible that the Maverick Funds' portfolios will be concentrated in a particular market or industry, or in a limited number or type of securities. Limited diversification could expose the Maverick Funds to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in those positions.

### **Hedging Transactions**

The Maverick Funds use both over-the-counter and exchange-traded instruments (as described in the funds' offering memoranda) and may incur indebtedness denominated in non-U.S. currencies, both for investment and risk management purposes as further described in the funds' offering memoranda.

The success of the Maverick Funds' hedging strategies will be subject to Maverick's ability to correctly assess the degree of correlation between the performance of the positions used in the hedging strategy and the performance of the positions being hedged. Since the characteristics of many positions change as markets change or time passes, the success of any hedging strategy also will be subject to Maverick's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. Maverick's abilities in these regards cannot be assured. In addition, the markets for hedging instruments may be volatile or illiquid, and there can be no assurance that the Maverick Funds will be able to close out a hedging position without incurring substantial losses. The successful utilization of hedging and risk management transactions require skills complementary to those needed in the selection of investments, and no assurance can be given that Maverick will be successful.

### **Leverage**

Many of the Maverick Funds leverage investment positions by trading on margin, short selling or borrowing funds from banks, broker-dealers or others. Such transactions may be substantial in size or number, may be undertaken in U.S. and non-U.S. markets and may be denominated in U.S. or non-U.S. currency. In addition, some or all of the Maverick Funds leverage investment return with options, swaps, forwards and other derivative instruments that are inherently leveraged and other forms of direct and indirect borrowings. The cumulative effect of the use of leverage by the Maverick Funds in a market that moves adversely to the Maverick Funds' investments could result in a loss to the Maverick Funds that would be greater than if leverage were not employed. In addition, the costs of leverage may be substantial.

The financing used by the Maverick Funds to leverage a portfolio is typically extended by broker-dealers in the markets in which the Maverick Funds invest, but also includes other types of credit facilities. The Maverick Funds could be subject to changes in the value that a broker-dealer ascribes to a given position, the amount of margin required to support such position, the borrowing rate to finance such position and such broker-dealer's willingness to continue to provide any such credit to the Maverick Funds. In the event a Maverick Fund has no alternative credit facility that could be used to finance its portfolio in the absence of financing from broker-dealers or where it is required to repay borrowing on a credit facility, it could be forced to liquidate a substantial portion of its portfolio to meet its financing obligations. The forced liquidation of all or a portion of a Maverick Fund's portfolio at distressed prices could result in significant losses to the Maverick Fund.

In addition, the Maverick Funds' use of short-term margin borrowings results in certain risks, such as the potential for margin calls in the event of a decline in value of pledged securities.

#### Short Sales

Many of the Maverick Funds engage in short selling. Short selling involves selling securities that are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities.

A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Maverick Funds of buying those securities to cover the short position. There can be no assurance that the Maverick Funds will be able to maintain the ability to borrow securities sold short. If unable to do so, the Maverick Funds can be bought in (*i.e.*, forced to repurchase securities in the open market to return them to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase. In the event of a precipitous increase in the value of securities that the Maverick Funds have sold short, the Maverick Funds could be required to purchase the securities at relatively high prices, thereby incurring substantial losses.

#### Reliance on Data

Maverick utilizes a substantial amount of third-party data in making investment decisions on behalf of the Maverick Funds. Accordingly, such investment decisions depend on the quality and reliability of the relevant data. Maverick is not required to verify information received from third parties and cannot guarantee the quality or reliability of all data it uses in rendering trading decisions. The availability of certain data currently utilized by Maverick or that may be utilized by

Maverick in the future will change over time based on, among other things, changes to such data's utility, changes to reporting obligations, vendor changes, legal or regulatory changes, and/or changes in price. Maverick cannot guarantee that it will have access to any specific data at any given time.

#### *Private Investments*

The Maverick Funds expect to purchase (through the MDI vehicle), securities that are not publicly traded on established securities exchanges or markets in private placement transactions that are not registered under applicable securities laws. Such securities may be issued by privately held companies or by companies that have outstanding securities of the same or other classes that are publicly traded. In addition to being subject to the risks associated with illiquid securities generally, securities purchased in private placement transactions may be subject to legal or contractual restrictions on resale, may not be subject to certain protections afforded investors under applicable securities laws and may not be subject to issuer financial disclosures of the breadth and character customarily associated with public securities offerings. These factors could adversely affect the Maverick Funds' return on investments. (Please refer to the Risk of Loss - Maverick Growth Fund Risk section for additional risks related to investors that elect to invest in MDI).

#### *Designated Investments*

Maverick from time to time may also cause the Maverick Funds to obtain exposure to certain securities or other assets that Maverick, in its discretion, determines either lack a readily assessable market value or should be held until the resolution of a special event or circumstance (any investment so designated by Maverick, together with hedging and/or financing arrangements, if any, that Maverick in its sole discretion determines to designate in whole or in part as integral to such investment, a "Designated Investment") through the Maverick Funds' investment in MDI. Maverick will possess broad discretion with respect to various matters relating to Designated Investments, including, without limitation, (i) the establishment of a Designated Investment, (ii) the determination as to whether a Designated Investment has been realized (including, without limitation, in connection with the receipt of dividends or other current income) or should otherwise be deemed to have been realized, (iii) the determination of whether a Designated Investment is a follow-up investment (as defined by each Maverick Funds' respective offering memorandum), and the allocation of participation in follow-up Investments, (iv) the valuation of Designated Investments, (v) the establishment of reserve amounts (as defined in each respective Maverick Funds' offering memorandum) and (vi) the approval of transfer and withdrawal requests in respect of Designated Investment sub-accounts. Under certain circumstances, the way in which Maverick exercises its discretion could have significant financial implications for the Maverick or its Affiliates, thus creating an incentive to exercise such discretion so as to benefit the Maverick or its Affiliates and potentially to the detriment of one or more of the Maverick Funds and/or the investors in the Maverick Funds. For example, Maverick could have an incentive to exercise its discretion in respect of the holding period of a Designated Investment and the treatment of dividends and other current income from a Designated Investment, in a manner that would tend to increase the amount of, and/or expedite the receipt of, the performance allocation.

### **Risk of Loss – The Maverick Quantitative Fund**

#### *Investment and Trading Risks*

The Maverick Quantitative Fund incurs risks associated with, among other things, security selection, selection of investment instruments and counterparties, leverage and short sales. Maverick endeavors to minimize such risk through portfolio construction, use of loss limit rules, maintenance of liquidity and monitoring. In addition, the hedged, long-short trading strategy of the Maverick Quantitative Fund may not effectively protect those funds from adverse market movements. The Maverick Quantitative Fund must also bear portfolio maintenance expenses, including trading commission costs.

#### Hedging Transactions

Maverick believes the maintenance of a portfolio with a moderate net long exposure consisting of long and short investment positions, each of which is selected on the basis of its individual investment merits, will hedge investment risk exposure. The Quantitative Investment Strategies are generally not designed to attempt to hedge particular positions with other particular positions, and may not anticipate a particular risk so as to hedge against it effectively. The success of the Maverick Quantitative Fund's hedging strategy will be subject to each Quantitative Investment Strategy's success in identifying long and short investment positions that will experience fluctuations in value that are favorable compared to market fluctuations. The Quantitative Investment Strategies' abilities in these regards cannot be assured.

#### Leverage

Some or all of the Maverick Quantitative Fund leverage investment positions by trading on margin, short selling or borrowing funds from banks, broker-dealers or others. Such transactions may be substantial in size or number, may be undertaken in U.S. and non-U.S. markets and may be denominated in U.S. or non-U.S. currency. In addition, some or all of the Maverick Quantitative Funds leverage investment return with options, swaps, forwards and other derivative instruments that are inherently leveraged and other forms of direct and indirect borrowings. The cumulative effect of the use of leverage by the Maverick Quantitative Fund in a market that moves adversely to the Maverick Quantitative Fund's investments could result in a loss to the Maverick Quantitative Funds that would be greater than if leverage were not employed. In addition, the costs of leverage may be substantial.

The financing used by the Maverick Quantitative Fund to leverage a portfolio is typically extended by broker-dealers in the markets in which the Maverick Quantitative Fund invest. The Maverick Quantitative Fund could be subject to changes in the value that a broker-dealer ascribes to a given position, the amount of margin required to support such position, the borrowing rate to finance such position and such broker-dealer's willingness to continue to provide any such credit to the Maverick Quantitative Fund. In the event a Maverick Quantitative Fund has no alternative credit facility that could be used to finance its portfolio in the absence of financing from broker-dealers, it could be forced to liquidate a substantial portion of its portfolio to meet its financing obligations. The forced liquidation of all or a portion of a Maverick Quantitative Fund's portfolio at distressed prices could result in significant losses to the Maverick Quantitative Fund.

In addition, the Maverick Quantitative Fund's use of short-term margin borrowings results in certain risks, such as the potential for margin calls in the event of a decline in value of pledged securities.

#### Short Sales

The Maverick Quantitative Fund engage in short selling. Short selling involves selling securities that are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities.

A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Maverick Quantitative Fund of buying those securities to cover the short position. There can be no assurance that the Maverick Quantitative Fund will be able to maintain the ability to borrow securities sold short. If unable to do so, the Maverick Quantitative Fund can be bought in (*i.e.*, forced to repurchase securities in the open market to return them to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase. In the event of a precipitous increase in the value of securities that the Maverick Quantitative Fund has sold short, the Maverick Quantitative Fund could be required to purchase the securities at relatively high prices, thereby incurring substantial losses.

#### *Complexity of Quantitative Strategies*

The Quantitative Investment Strategies rely upon complex mathematical calculations and computer programs. Although Maverick intends to carry out all such calculation and programming operations with great care, human errors will occur and may adversely impact the efficacy of the Quantitative Investment Strategies and, in turn, the Maverick Quantitative Fund's investment performance. Human error similarly may occur in the event Maverick exercises its discretion to deviate from trading decisions generated by a Quantitative Investment Strategy.

A Quantitative Investment Strategy's efficacy also may diminish over time as market conditions or the behavior of market participants changes. There can be no assurance that adjustments to a Quantitative Investment Strategy to account for such changes will be made before substantial losses are incurred, or that such adjustments will be correctly designed or implemented.

The use of two or more Quantitative Investment Strategies that are not coordinated from time to time may result in the Maverick Quantitative Fund holding positions that either counteract each other or inadvertently amplify exposure to an underlying investment to the detriment of the Maverick Quantitative Fund's portfolio performance. In some such cases, the Maverick Quantitative Fund may incur significant transaction-related expenses without achieving some (or any) of the economic exposure that the Quantitative Investment Strategies sought.

The use of computer systems for the collection, organization, compiling and analysis of data does not ensure that the relevant Quantitative Investment Strategy will generate successful investment performance, and a Quantitative Investment Strategy is unlikely to be successful unless the research and assumptions underlying it are sound and assumptions are adjusted to remain sound in an evolving market environment.

Due to the complexity of quantitative strategies, errors or malfunctions can be highly difficult or even impossible to detect, anticipate, prevent or correct, despite internal testing and monitoring of the systems by Maverick. If unaddressed, the impact of such errors on investment performance can compound. Maverick generally does not intend to disclose any such discovered events or circumstances.

#### *Reliance on Technology*

The successful implementation of the Quantitative Investment Strategies is dependent on both proprietary and third-party hardware and software, as well as telecommunications systems and utilities of Maverick and third parties. The successful operation of all such systems is critical to the intended operation of the Quantitative Investment Strategies. The use of such systems in collating information or in developing and operating the Quantitative Investment Strategies does not assure their success. These systems are merely an aid in compiling and organizing information and in executing algorithms developed by human beings. Accordingly, no assurance is given that the trading decisions based on such systems will be successful. In addition, malfunctions, omissions, system crashes, component failure, coding or calculation errors, power loss, physical damage and other similar events or circumstances may adversely impact the operation of the Quantitative Investment Strategies and, accordingly, the Maverick Quantitative Fund's investment performance. In the case of third-party hardware, software or other systems, such events may be entirely outside the control of Maverick. Any such problematic circumstances may be the result of defects, but may also be caused by security breaches (including "hacking"), computer viruses, human error in using relevant systems or other natural or man-made forces. Any service or operational interruption to the relevant systems could impact Maverick's ability to monitor the Maverick Quantitative Fund's investments or a Quantitative Investment Strategy's ability to generate trading decisions, which may adversely affect investment returns. Maverick maintains a business continuity plan to facilitate its continued operations in case of any unforeseen events causing material business interruptions. No assurance can be given, however, that such plan will be effective in facilitating the ongoing operation of the Quantitative Investment Strategies or the operations of Maverick generally.

#### Reliance on Data

The Quantitative Investment Strategies generate investment decisions based on analyses of data inputs performed according to the underlying programs designed by Maverick. Accordingly, the utility of such analyses depends on the quality and reliability of the data on which such analyses are performed. Inputs into the Quantitative Investment Strategies include both proprietary as well as third-party data. Maverick is not required to verify information received from third parties, and cannot guarantee the quality or reliability of all data used by the Quantitative Investment Strategies in rendering trading decisions. The availability of certain data currently utilized by the Quantitative Investment Strategies or that may be utilized by the Quantitative Investment Strategies in the future will change over time based on, among other things, changes to such data's utility, changes to reporting obligations, vendor changes, legal or regulatory changes, and/or changes in price. Maverick cannot guarantee that it will have access to any specific data at any given time.

#### Trading on Set Intervals

Maverick expects to program each Quantitative Investment Strategy to generate goal positions at specific intervals (based on, without limitation, the nature of the Quantitative Investment Strategy, the nature and frequency of release of the Underlying Data and, potentially, the intervals at which other Quantitative Investment Strategies generate goal positions). While Maverick will make reasonable efforts to program such intervals in a manner that is most conducive to the profitability of the Quantitative Investment Strategies as a whole, no representation or assurance can be made that Maverick will be successful in such endeavor or that the Maverick Quantitative Fund would not have been more profitable had the intervals been programmed differently. In addition, the intervals at which any given Quantitative Investment Strategy generates goal positions may increase the volatility, and/or reduce the expected returns, of any other Quantitative Investment Strategy.

### Environmental, Social and Governance Considerations

The management of ESG factors forms an important part of the due diligence process implemented by Maverick. When assessing the ESG factors associated with underlying investments, Maverick is, among other things, assessing the risk that the value of such investments could be materially negatively impacted by an ESG event or condition. Accordingly, Maverick includes ESG ratings gathered through one or more third-party ESG ratings providers in certain of its Quantitative Investment Strategies. Despite such inclusion, there can be no assurance that ESG considerations will not lead to losses.

### **Risk of Loss – Maverick Seed**

#### Manager Selection

Investing in Maverick Seed involves a risk of loss that investors must be prepared to bear. Maverick believes that Maverick Seed's greatest risk of loss is associated with manager selection risk. A substantial portion of the information that Maverick reviews in its manager selection process is provided by prospective managers. Maverick endeavors to mitigate that risk by intensive manager review including the use of proprietary and publicly-available quantitative risk management tools and by diversification among managers as well as investment strategies and styles.

#### Limited Diversification

Maverick Seed has and is expected to have a relatively concentrated portfolio. Maverick has not established fixed limits and guidelines regarding diversification of investments to be followed by Maverick Seed. As a result, Maverick Seed's portfolio could, to a certain degree, become concentrated in a single portfolio manager, industry, market or sector. The concentration of risk may increase losses suffered by the fund. It is also possible that Maverick Seed could become concentrated in any one strategy, and the investments of the strategy may be more illiquid than investments in another strategy. This limited diversity may lead to greater volatility than would otherwise be the case, and could expose Maverick Seed to losses disproportionate to market movements in general.

#### Multiple Levels of Expense

Investors that are eligible to invest in Maverick Seed often also will be eligible to invest directly in one or more of Maverick Seed's portfolio investments. By investing in portfolio investments indirectly through Maverick Seed, an investor bears the management fee and the performance allocation/fee at the Maverick Seed level, in addition to any asset-based and performance-based management fees and allocations at the portfolio investment level. Moreover, an investor in Maverick Seed bears a proportionate share of all other fees and expenses of the funds and, indirectly, similar expenses of the portfolio investments.

#### Side-pockets

The terms of certain investments may permit the portfolio managers of such portfolio investments to designate certain investments, typically those that are especially illiquid or hard to value, as "special situation" (often called "side-pocket") investments subject to special redemption limitations. Typically, an investor in a fund holding a side-pocket investment may not redeem that portion of its investment attributable to the side-pocket investment until the side-pocket investment

is liquidated. In addition, accurate valuation of side-pocket investments prior to liquidation is typically difficult. Although Maverick monitors Maverick Seed's exposure to side-pockets, it is possible that a significant percentage of Maverick Seed's assets could be placed in side-pockets by the portfolio investments in which the funds are invested, and that such action may limit the liquidity of the funds and its investors as well as impede accurate valuation of its assets.

#### *Non-Transparency of Portfolio Investments' Operations*

Maverick is unable to control or fully monitor the activities of portfolio investments or their portfolio managers. A portfolio investment may use investment strategies that differ from its past practices, are not fully disclosed to Maverick, or that involve risks that are not anticipated by Maverick. Some portfolio investments have limited operating histories, and some portfolio managers have limited experience in managing assets.

### **Risk of Loss – Maverick Growth**

#### *General*

Potential investors in Maverick Growth and investors electing to participate in Designated Investments in Maverick Funds should be aware that investing in the relevant Fund Clients involves a high degree of risk. There can be no assurance that the Fund Client's investment objective will be achieved. The possibility of partial or total loss of capital will exist and investors must be prepared to bear capital losses that may result from investments. In addition, there will be occasions upon which Maverick or its affiliates may encounter potential conflicts of interest in connection with the activities of the relevant Fund Client. An investor should only invest in the Fund Client as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment. The following considerations should be carefully evaluated before making an investment in the applicable Fund Client. Risks and potential conflicts include, but are not limited to, those set out below.

#### *Reliance on Portfolio Company Management*

Although Maverick will monitor the performance of each portfolio company, it will be the responsibility of each portfolio company's management team to operate the portfolio company's business on a day-to-day basis. Maverick generally intends to invest in companies with strong management and/or recruit strong management to such companies, however, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in a manner that maximizes the value of the company's business and operations. A portfolio company may depend on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would significantly adversely affect such portfolio company's performance.

#### *Highly Competitive Market for Investments*

The business of identifying, structuring and completing transactions of the nature contemplated by the Clients is highly competitive and involves a high degree of uncertainty, especially with respect to timing. Maverick will be competing for investments with other private



equity investment vehicles as well as strategic buyers and other institutional investors. The availability of attractive investment opportunities generally will be subject to market conditions as well as the prevailing regulatory and political climates. The size and number of private equity investment vehicles has grown dramatically, and it is likely that these trends will continue in the future. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, or more personnel than Maverick. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to Maverick and adversely affecting the terms upon which investments can be made.

There is no assurance that Maverick will be able to locate suitable investment opportunities, or acquire them for an appropriate level of consideration. Likewise, there can be no assurance that Maverick will be able to realize upon the value of the Clients' investments or that it will be able to invest their committed capital. To the extent that Maverick encounters competition for investments, returns to investors may decrease, including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. In addition, in the case of the Maverick Growth Fund, investors will be required to pay management fees based on capital commitments throughout certain periods irrespective of whether the fund is able to deploy all of its capital commitments. Additionally, the Clients may incur bid, due diligence, negotiating, consulting or other costs on investments that may not be successful. The Clients may not recover all of such costs, which would adversely affect returns.

There generally will be little or no publicly available information regarding the status and prospects of prospective portfolio companies. Many investment decisions by Maverick will be dependent upon the ability of its employees and agents to obtain relevant information from non-public sources, and Maverick often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond Maverick's control.

#### *Lack of Control in Certain Investments*

The Designated Investments are generally expected to represent a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors, management, operations and strategic direction. Such portfolio companies may have goals not completely aligned with Maverick's, and Maverick may not be in a position to limit or influence actions taken by such portfolio companies, or otherwise protect the value of Clients' investment in such portfolio companies. In such cases, Clients will rely significantly on the management and boards of directors of such companies, which may include representatives of other investors with whom Maverick is not affiliated and whose interests or views may conflict with those of the Clients. Although engaging in a specific transaction or sale of an entire portfolio company may be a beneficial disposition for Clients, the majority holder or holders of interests in the portfolio company may prevent the portfolio company from entering into such transactions, which could result in the Clients' investments being frozen in minority positions that incur substantial losses. Therefore, there can be no assurance that the Clients will be able to realize the value of their investments or distribute proceeds from a sale or disposition of a portfolio company in a timely manner. In addition, where Maverick seeks board representation in connection with its Clients' minority investments, there is no assurance that such representation will be obtained.

#### *Need for Follow-On Investments*

Following its initial investment in a portfolio company, Maverick may determine that Clients should provide additional funds or otherwise increase their investment in such portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurances that a Client will make any follow-on investments or that the Client will have sufficient funds to make all or any such investments. Any determination with respect to a Client to not make a follow-on investment or its inability to make a follow-on investment may have a substantial negative effect on a portfolio company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability may result in a lost opportunity for Clients to increase their participation in a successful portfolio company or in the dilution of the Clients' ownership in a portfolio company to the extent that a third party invests in such portfolio company.

### Leverage

Clients may incur debt for any purpose that Maverick considers appropriate, including without limitation borrowings to fund investments pending take-downs of capital and in connection with credit support. The Clients may enter into borrowing arrangements that require any of the other feeder funds, any alternative investment vehicles comprising the Client and any co-investment vehicles (collectively, "Other Growth Vehicles") to be jointly and severally liable for the obligations, increasing the investors' exposure to defaults by such other entities. A Client may also guarantee the obligations of its portfolio companies. If a portfolio company defaults on its obligations, the Fund may be required to satisfy such obligations.

In the case of Maverick Growth Fund, the fund may, and intends to, fund investments in portfolio companies and pay fund expenses with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which is expected in many cases to be the investors' capital commitments) prior to calling capital from its investors. The interest expense and other costs of such borrowings will be fund expenses and, accordingly, will decrease the fund's net returns. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return and that the use of borrowings will delay the start of the accrual of such preferred return on capital that would otherwise be contributed to the fund until capital contributions are made to repay such borrowings. In light of the foregoing, there is an incentive to fund the acquisition and ongoing capital needs of portfolio companies and Maverick Growth Fund with the proceeds of such borrowings in lieu of drawing down capital commitments on an as-needed basis, as the use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) by delaying capital calls and therefore making net internal rate of return calculations higher than they otherwise would be without fund-level borrowing. In addition, the use of borrowings may accelerate or increase carried interest distributions that Maverick's affiliates receive as a result of decreasing the amount of the preferred return accrual. Maverick therefore has a conflict of interest in deciding whether to borrow funds because its affiliates may receive disproportionate benefits from such borrowings.

Borrowing by the Maverick Growth Fund will generally be secured by capital commitments made by investors to each respective fund and/or by the fund's assets. In the case of a borrowing secured by the investor capital commitments, the documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the relevant lender or an agent thereof may call capital directly from investors to the extent necessary to repay such borrowing, and all other amounts owing under the loan documentation, in full. In the case of a borrowing secured by the fund's assets, the related documentation will likely provide that during

the continuance of a default under such borrowing, the interests of the investors will be subordinated to the interests of the lenders with respect to such fund-level borrowing.

#### *Dependence on Patents, Trademarks and Other Intellectual Property*

Certain investments will depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product.

#### *Reserves*

Maverick Growth may establish reserves for follow-on investments by Maverick Growth in portfolio companies and for the fund's operating expenses, liabilities and other matters. Establishing an appropriate amount for such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns. If reserves are inadequate, the Maverick Growth may be unable to take advantage of attractive follow-on or other investment opportunities or to protect their existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, Maverick Growth may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

### **Risk of Loss – The Maverick Venture Funds**

#### *General*

Investing in the Maverick Venture Funds involves a risk of loss that investors must be prepared to bear. The types of investments that the Maverick Venture Funds anticipate making involve a high degree of risk. Financial and operating risks confronting portfolio companies in which the Maverick Venture Funds invest can be significant. The timing of profit realization is highly uncertain; losses are likely to occur early in the Maverick Ventures Funds' term, while successes often require a long maturation. The marketplace for venture capital investing has become increasingly competitive. There can be no assurances that attractive candidates will be found in sufficient quantity to allow all of the capital commitments of the Maverick Ventures Funds to be drawn within the investment period.

#### *Investment in Companies Dependent Upon New Scientific Developments, Technologies and Markets*

The Maverick Venture Funds plan to focus a significant portion of their investing in healthcare and technology companies that may be dependent upon new scientific developments, technologies and markets. The value of interests in the Maverick Venture Funds therefore may be susceptible to factors affecting the healthcare and technology industries and to greater risk than an investment in funds that invest in a broader range of securities.

#### *Minority Investments*

A significant portion of the Maverick Venture Funds' investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the Maverick Venture Funds are likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling stakes. The Maverick Venture Funds may also invest in companies for which the funds have no right to appoint a director or otherwise exert significant influence. In such cases, the funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the funds are not affiliated and whose interests may conflict with the interests of the funds.

#### Reserves

MCV will establish reserves for follow-on investments by the Maverick Venture Funds in portfolio companies and for each fund's operating expenses, liabilities and other matters. Establishing an appropriate amount for such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns. If reserves are inadequate, the Maverick Venture Funds may be unable to take advantage of attractive follow-on or other investment opportunities or to protect their existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, the Maverick Venture Funds may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

#### Limitations on Ability to Exit Investments

MCV expects to exit from the Maverick Venture Funds' investments in two principal ways: (i) private sales (including acquisitions of their portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these exits may not be open, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

#### Reliance on Portfolio Company Management

Although MCV may (but is not required and should not be expected to) seek representation on the board of directors of each of the portfolio companies, the Maverick Ventures Funds will not have an active role in the day-to-day management of the companies in which they invest. To the extent that the senior management of a portfolio company performs poorly, or if a key manager terminates employment, the Maverick Ventures Funds' investment in such company could be adversely affected.

#### Competitive Marketplace

The marketplace for venture capital investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of Maverick Ventures potential competitors may have more relevant experience, greater financial resources and more personnel than MCV. There can be no assurances that MCV will locate an adequate number of attractive investment opportunities. To

the extent that the Maverick Ventures encounters competition for investments, returns to investors in the Partnership may vary.

**Item 9 – Disciplinary Information**

Maverick does not believe that there have been any legal or disciplinary events that are material to Maverick’s advisory business or the integrity of Maverick’s management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Maverick Capital, Ltd. and its affiliate, Maverick Capital Advisors, L.P. are each registered as a commodity pool operator and commodity trading advisor with the Commodity Futures Trading Commission and are members of the National Futures Association but currently conduct their business in reliance on certain exemptions from registration in such capacities. Suzanne Guthrie is registered as an associated person of these entities.

Maverick Capital, Ltd. has material business relations with the following affiliated entities:

- MCL Corporation, MCL California, Inc. and MCL Florida, LLC employ certain personnel working in New York and Philadelphia, San Francisco, Miami and West Palm Beach, respectively. These entities are not registered investment advisers. They have overlapping, but not identical, ownership with Maverick. They perform services relating to Maverick's investment management business and are compensated by Maverick Capital, Ltd. under the terms of agreements directly or indirectly with Maverick Capital, Ltd. These affiliated entities also receive certain research and other benefits described in Item 12.
- Maverick Capital Advisors, L.P. is the General Partner of Maverick Master Fund, Holdings C, Stable Partners, the Maverick Quantitative Fund, Maverick Seed Master Fund, L.P. and Maverick Seed Partners, L.P., and the following intermediate investment vehicles through which investments are made in the Maverick Funds: Maverick USA, L.P., Maverick Levered Partners, L.P., Maverick Long, L.P., Maverick Long Enhanced, L.P., and Maverick CI Fund, L.P., It also holds performance allocation shares of Maverick Fund, Maverick Levered, Maverick Long, and Maverick Long Enhanced, as described in the relevant fund's offering memoranda.
- Maverick Growth Advisors, LLC is the general partner of Maverick Growth Fund, L.P.
- Maverick HP Advisors, L.P. is the general partner of Maverick HP, L.P.

These entities have been created for operational or structural reasons and generally perform functions that would be performed by Maverick itself if they did not exist.

MCV is the general partner of Maverick Ventures, Maverick Advisors Fund and Maverick Ventures Serial 4, and MCV Management is the management company of all of these funds. MCV and MCV Management are affiliates of Maverick. MCV and MCV Management are relying advisers as indicated in Schedule R of Part 1A of Maverick's Form ADV.

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

Maverick's Code of Ethics (the "**Code**") was adopted in an effort to avoid possible conflicts of interest, avoid the inappropriate use of material, nonpublic information and ensure the propriety of its employees' and partners' trading activity. The Code contains policies that primarily address personal trading. Clients and prospective Clients may obtain a copy of the Code by addressing a request for such Code to Maverick's Chief Compliance Officer, 1900 N. Pearl Street, 20th Floor, Dallas, Texas 75201.

The Code is distributed to each Maverick employee at the time of hire and is made generally available to all Maverick employees. Maverick also supplements the Code with training upon hire and periodically thereafter.

As investment manager for various Clients, Maverick may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any other Client. Further, Maverick may recommend or effect transactions on behalf of its Clients in securities that it or any of its affiliated persons may buy or sell for its or their own accounts. However, under the Code, all Maverick personnel must, among other things, always place the interests of Clients first and never abuse their position of trust and responsibility or take inappropriate advantage of their position.

Maverick's Code generally prohibits its affiliated persons from investing in the publicly-traded equity securities that comprise the significant majority of the Clients' investable universe (the "**Covered Securities**"). In addition, Maverick's affiliated persons must generally pre-clear sales of Covered Securities from their personal accounts. Maverick also maintains a blackout period during which it will not authorize sales of securities also sold by its Clients. Maverick further requires its affiliated persons to obtain pre-approval before participating in private placements, including in non-Maverick pooled investment vehicles.

Maverick's affiliated persons are required to have direct broker feeds or duplicate copies of confirmations and periodic statements with respect to their brokerage accounts sent to Maverick. Affiliated persons must also provide Maverick with securities holdings reports upon commencement of employment and thereafter provide certifications of compliance with the Code on a quarterly basis.

From time to time, Maverick or its affiliated persons come into possession of material nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security or other instrument. This may occur, for example, where an affiliated person is a director or officer of a company, the stock of which may be held by a Client. In the event that Maverick or an affiliated person is in possession of material nonpublic information, Maverick will be unable to use such information for the benefit of any Client. Thus, Maverick's possession of such information may cause a Client to be frozen in a security position or unable to engage in a transaction in that position until such time that the information is made public.

Affiliated persons may not serve on the boards of for-profit enterprises without Maverick's prior approval.

While Maverick does not regularly engage in principal transactions in the ordinary course of business operations, in instances where Maverick does engage in principal transactions (for example, in conjunction with the launch or wind-down of a Fund Client), Maverick is required to



effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act.

## Item 12 – Brokerage Practices

The securities transactions of the Clients generate a substantial amount of brokerage commissions and other transaction-based compensation, all of which will be paid by the Clients. Maverick has complete discretion in deciding what brokers and dealers (including third party execution services firms) the Clients will use and in negotiating the rates of compensation the Clients will pay. In addition to paying commissions to brokers acting as agents, the Clients buy or sell securities directly from or to dealers acting as principals at prices that include dealer markups or markdowns and buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. Such brokers, dealers or counterparties with which the Clients execute brokerage, swap, and other transactions may also be in a position to influence or direct the allocation of new issues or other potentially attractive investment opportunities for the direct or indirect benefit of Maverick, its affiliates and/or one or more of their respective Clients. There can be no assurance that a particular Client will participate in the allocation of any such investment opportunity, even if the relevant broker's, dealer's or counterparty's allocation decision was influenced by the execution of such Client's brokerage, swap or other transactions with such broker, dealer or counterparty. Maverick expects to allocate appreciation and depreciation from new issues in accordance with all applicable FINRA rules. As such, certain investors (e.g., any investor deemed to be a "restricted person", as defined in Rule 5130) may be either restricted from such participation or may merely be limited to participating in such appreciation and depreciation on the basis of the *de minimis* provisions of such rules.

In selecting brokers to effect portfolio transactions for Clients, Maverick will consider such factors as price and transaction costs, the ability of the brokers to effect the transactions (taking into account their size and difficulty), the brokers' facilities, reliability and financial responsibility, confidentiality of trading activity, any products or services provided by such brokers, the provision or payment of the costs of brokerage or research products or services, access to particular markets and access to credit or favorable terms. Maverick need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Accordingly, in any transaction or series of transactions, Clients may pay commissions to a broker in an amount greater than the amount another broker might charge.

Under Section 28(e) of the Securities Exchange Act of 1934, an investment adviser is generally deemed to have acted lawfully and in a manner consistent with its fiduciary duties under federal and state law, if the adviser determines in good faith that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided by such broker. For purposes of Section 28(e), research products or services provided by a broker include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products and services (e.g., quotation equipment and computer costs and expenses) providing lawful and appropriate assistance to the investment adviser in the performance of its investment decision making responsibilities, without regard to whether the research products or services benefit the account bearing the commission charge.

Maverick may enter into arrangements with brokers serving Clients providing for the use of commissions or "soft dollars" to pay the costs of certain brokerage and research products or services. While Maverick generally intends to use soft dollar commissions solely in a manner that satisfies the conditions of the Section 28(e) safe harbor, the agreements Maverick has with Clients generally allow Maverick to obtain payment with soft dollars for a broad range of expenses that do not constitute research or brokerage expenses within the strict meaning of the Section 28(e) safe harbor (e.g., computer and telecommunication hardware general news and market information

services, or travel and office equipment expenses incurred by Maverick's investment staff) and Maverick's general operational costs and expenses (such as costs and expenses associated with supplies, non-research-related staff salaries and employee benefits, postage, rent, and use of telephones and other utilities). In no event may commissions or soft dollars be used to compensate a broker for absorbing costs attributable to a Maverick trading or other error. Maverick's soft dollar arrangements with brokers condition payment of expenses upon placement of specified levels of brokerage transactions with that broker, and Maverick allocates a corresponding level of trades to that broker, subject to Maverick's obligation to obtain best execution (taking into account the value of the soft dollar goods and services provided).

If an expense relates to a function which would generally qualify for soft dollar payment under Maverick's policy stated above as well as a function that does not (*e.g.*, Client research and Maverick administrative functions, respectively), Maverick intends to make a good faith allocation of the cost between qualifying and non-qualifying functions to determine the portion that may be paid with soft dollars. The allocation process will attempt to take into account the principal functions or benefits of the item involved, but will not attempt to measure *de minimis* or occasional non-qualified usage or non-qualified usage of a *de minimis* value. It is therefore possible that payments associated with such non-qualified usage or payments made in error could benefit Maverick.

In any instance in which Maverick enters into a soft dollar arrangement, a Client generally pays commissions to the relevant broker that are greater than the amount another broker would charge or that such broker would otherwise charge, but will only do so if Maverick determines in good faith that such amount of commissions is reasonable in relation to the value of all of the property, products and services provided by such broker. In certain cases, Maverick's soft dollar arrangements allow for periodic rebates of the unused soft dollar credits to the Clients' accounts.

Maverick is not required to allocate the benefits provided with a particular soft dollar expenditure to a particular Client and generally does not do so. Because many of Clients share many investments in common, those Clients will also share many of the soft dollar benefits derived from their collective trading. The benefits derived by any Client, however, may not be proportional to the costs incurred. Because brokers are generally not used when making fund of funds or venture capital investments, the Maverick Stable Funds and the Maverick Venture Funds, respectively, are not expected to generate commissions, nor are they expected to receive soft dollar benefits derived from trading by Maverick's other Clients. At the time of this filing, Maverick generally does not use of soft dollars, but reserves the capability to utilize soft dollars in its discretion.

Subject to seeking best execution, Maverick also considers other relationships as factors in the selection of securities dealers or brokers. For example, brokers to Maverick's Clients have in the past, do and may in the future, refer investors to Maverick-managed Fund Clients or engage in other transactions with Maverick. From time to time providers of Client brokerage services also provide incidental consulting services and other advice with respect to Maverick's operations and other matters on a formal or informal basis. The provision of such services or advice may or may not be subject to formal agreements (including confidentiality agreements) and may or may not be compensated, depending on the extent of the services provided. Provision of services, including client referrals, could provide Maverick with an incentive to select the respective broker-dealer for Client transactions without regard to best execution. Maverick will, however, provide compensation that Maverick considers to be arm's length in any case in which such services have material value and will endeavor not to allocate brokerage transactions to a provider of such services as compensation for client referrals or other services or otherwise in violation of Maverick's duties to its Clients.

Maverick strives to allocate investment opportunities among Clients in a fair and equitable manner to provide, over time, meaningful investments for all Clients. In the absence of legal or other limitations, investment trades for Clients that pursue the same or related investment programs are typically aggregated and allocated among those Clients in a manner intended to cause the holdings of the related security or group by each to be proportional to the net asset value of such Client's portfolios or account values, as applicable, as adjusted for each Client's exposure, leverage and other targeted parameters and taking into account each Client's reasonably anticipated upcoming capital adjustments. To the extent practicable, each Client will bear any burdens or costs associated with special limitations (*e.g.*, investment or trading restrictions) associated with that Client.

Maverick may periodically rebalance the portfolios of certain Clients with similar investment portfolios through cross-trade transactions. Any such rebalancing transactions will involve only securities for which market quotations are readily available. Such transactions generally will be effected directly between accounts or through a broker at the last sales price for the relevant security on the principal exchange or other market on which such security is traded on the date of the relevant transaction (or on the immediately preceding day if the transaction is effected at the opening of the market). While Maverick does not do so regularly, Maverick may also utilize cross-trade transactions for purposes other than rebalancing if Maverick believes that doing so will be in the applicable Clients' best interest.

Since multiple Clients invest in a common portfolio of publicly traded securities, common securities trades on common terms for multiple Clients may, and often will, be aggregated into one or more larger orders, which are placed with one or more brokers for execution. Maverick is not obligated, however, to place all transactions on an aggregated basis, and, as in the case of transactions on disparate terms (*e.g.*, transactions executed as orders subject to market terms as opposed to orders subject to price limits), Maverick may be unable to aggregate transactions. As a result, transactions for different Clients, including transactions in the same or similar securities at the same or similar times, may be executed at different prices.

### **Item 13 – Review of Accounts**

Maverick reviews all Clients' portfolios on a regular basis as part of its regular investment management and trade settlement processes. The frequency of such reviews depends on the investment program of the Client and may range from daily in the case of certain Clients to monthly or quarterly in the case of others. Non-periodic reviews may be undertaken because of, among other things, changes in market conditions, changes to a Client's investment objective or material changes to Maverick's policies and/or legal obligations. The financial statements of the Fund Clients are audited annually by independent public accountants.

Maverick typically provides periodic written reports to clients and investors in the Maverick Funds, the Maverick Quantitative Fund, the Maverick Stable Funds, Maverick Seed, Maverick Growth and the Maverick Venture Funds which set forth various financial data and information. In addition to standardized materials provided to all investors in a Fund Client, Maverick often provides individual investors with additional information in response to their questions and requests for due diligence meetings and questionnaires and other communications, the content and frequency of which may vary.

Investors in the Maverick Funds, the Maverick Quantitative Fund, the Maverick Stable Funds and Maverick Seed receive unaudited monthly account statements reflecting the performance of their investments. Investors in Maverick Growth and the Maverick Venture Funds receive unaudited quarterly account statements. In addition, investors in the Maverick Funds, the Maverick Quantitative Fund and the Maverick Stable Funds are provided access to a password-protected website that contains information about the Maverick Funds', the Maverick Quantitative Fund's and Maverick Stable Funds' investment performance.

Investors in the Maverick Funds, the Maverick Quantitative Fund, the Maverick Stable Funds, Maverick Seed, Maverick Growth and the Maverick Venture Funds receive the Fund Client's audited financial report annually and, if applicable, the information necessary for the investor to complete its annual federal income tax return. An investor in a Fund Client may also periodically request the value of its investment.

#### **Item 14 – Client Referrals and Other Compensation**

Maverick is a party to agreements with third-party solicitors pursuant to which Maverick compensates the solicitor for Fund Client investment referrals. With respect to Fund Client investment referrals, such investments in a Fund Client will generally be subject to the Fund Client's standard terms and conditions and will not be subject to any incremental fees or allocations payable to Maverick or any affiliate as a result of such solicitation agreement. With respect to Separate Account Client referrals, applicable prospective Clients, if any, would be provided with appropriate disclosure with respect to the applicable solicitation arrangements.

Maverick also receives client referrals from brokers providing services to Clients. *See Item 12 above.*

## **Item 15 – Custody**

Maverick and certain of its affiliates are generally deemed to have custody of Fund Client assets and, where applicable, intend to comply with certain requirements of Rule 206(4)-2 under the Investment Advisers Act (the “**Custody Rule**”), and to qualify for exemption from certain other requirements of the Custody Rule, by satisfying the conditions of the Custody Rule’s pooled vehicle annual audit provision. Fund Clients’ funds and securities (other than certain privately placed, non-certificated securities) are held by “qualified custodians” within the meaning of the Custody Rule. The qualified custodians do not send account statements to Fund Client investors.

After the end of each Fund Client’s fiscal year, investors in the Fund Clients receive audited financial statements, certified by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board within 120 days (180 days for the Maverick Stable Funds and Maverick Seed) after the end of each fund’s fiscal year.

Investors in a Fund Client who have not received audited financial statements in a timely manner should contact Maverick immediately.

Maverick generally structures Separate Account Clients so as to avoid being deemed to have custody of the funds or securities of such Clients for purposes of the Custody Rule.

**Item 16 – Investment Discretion**

Maverick has been granted discretionary authority to manage the securities accounts of its Clients pursuant to the investment management agreements entered into with such Clients. Maverick endeavors to buy and sell securities and other instruments for its Clients on a discretionary basis in a manner consistent with each Client's stated investment objectives and restrictions. MCV has been granted discretionary authority to manage the investments of the Maverick Venture Funds pursuant to management services and limited partnership agreements entered into with the Maverick Venture Funds and has committed that Maverick will generally offer new venture capital investment opportunities first to the Maverick Venture Funds. Separate Account Clients may have negotiated restrictions relevant to their particular circumstances.



## Item 17 – Voting Client Securities

Maverick’s investment management agreements with its Fund Clients grant Maverick the authority to cast all proxy votes. Maverick has adopted a proxy voting policy, as required by Rule 206(4)-6 under the Investment Advisers Act. The policy provides that Maverick will act in the best interests of Fund Clients in determining whether and how to vote on any proxy voting matter. Unless otherwise agreed to with a Client, Maverick will classify all requests for stockholder voting authority and related proxy materials as “**Routine**” (e.g., uncontested director elections, reappointment of independent audit firms, and issues reflecting social or environmental concerns) or “**Non Routine**” and vote accordingly. In the case of any Routine matter, Maverick will generally vote in accordance with the recommendations of the issuer’s management unless, in Maverick’s opinion, such recommendations are not in the best interests of the Clients. Notwithstanding the foregoing, due to the quantitative nature of their investment program, proxy materials received with respect to the Maverick Quantitative Fund will generally not be voted; *provided however* that if the Maverick Quantitative Fund holds the same security as another Client on whose behalf Maverick intends to vote, Maverick may vote the Maverick Quantitative Fund’s securities in the same manner as it votes the other Client’s securities.

Maverick’s Portfolio Manager, other relevant members of the Stock Committee, General Counsel and Chief Compliance Officer will consult with each other concerning the best method to resolve any actual or apparent conflict between the interests of Maverick and its Clients in a manner that affords priority to the interests of Maverick’s Clients taken as a whole. If the conflict is personal to either the Portfolio Manager or relevant member of the Stock Committee, the Portfolio Manager will designate others to address the issues presented by the proxy vote.

Separate Account Clients may have negotiated terms in their investment management agreements that provide for the retention or delegation of voting rights in accordance with their circumstances.

Clients may obtain a copy of the policy and information on how Maverick voted proxies for each applicable Client by addressing a request for such policy or information to Maverick’s Chief Compliance Officer, 1900 N. Pearl Street, 20th Floor, Dallas, Texas 75201.

**Item 18 – Financial Information**

Not applicable.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable.