

**March 28, 2024**

**Form ADV Part 2A**

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*This brochure (this “Brochure”) provides information about the qualifications and business practices of Matrix Capital Management Company, LP and certain of its affiliates (collectively, the “Firm”, “Matrix”, “we”, “us”, and similar terms). If you have any questions about the contents of this Brochure, please contact us at (781) 522-4007 or [compliance@matrixlp.com](mailto:compliance@matrixlp.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.*

*Matrix is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

*Additional information about Matrix also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2 – Material Changes**

The Firm has experienced no material changes since its last Form ADV annual amendment was filed on March 31, 2023. This Brochure does, however, include clarifying changes and routine updates to improve the description of its business practices, compliance policies and procedures, as well as to respond to evolving industry best practices. Investors should review this Brochure carefully and in its entirety.

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## **Item 4 – Advisory Business**

### **A. Matrix Capital Management Company, LP**

Matrix Capital Management Company, LP (“Matrix”), a Delaware limited partnership, commenced operations in 1999. Matrix is headquartered in Waltham, Massachusetts. David E. Goel and Paul J. Ferri are the founders of Matrix. David E. Goel, the Managing General Partner of Matrix, principally owns and controls Matrix and maintains ultimate authority over all investment decisions and the business affairs of Matrix.

Matrix serves as the manager or management company, as the case may be, with discretionary investment authority to private pooled investment vehicles (each, a “Fund” and collectively, the “Matrix Funds”). All of the Matrix Funds are open-ended privately offered investment vehicles exempt from registration as investment companies under the Investment Company Act of 1940 (“1940 Act”).

The Matrix Funds managed by Matrix include:

- i. Matrix Capital Management Fund, L.P., a Delaware limited partnership (the “Domestic Fund”);
- ii. Matrix Capital Management Fund (Offshore) Ltd., a Cayman Islands exempted company (the “Offshore Fund”, and together with the Domestic Fund, the “Feeder Funds”); and
- iii. Matrix Capital Management Master Fund, L.P., a Cayman Islands exempted limited partnership (the “Master Fund”), which serves as the Master Fund into which the Feeder Funds invest all of their investable assets through a “master-feeder” structure.

Matrix General Partner, LP (the “Matrix General Partner”) is an affiliate of Matrix that also provides advisory services in its capacity as general partner of the Domestic Fund and the Master Fund (as defined above).

Matrix manages the Matrix Funds pursuant to the investment strategy set forth in such Fund’s limited partnership agreement and offering memorandum (collectively, the “Matrix Governing Documents”). The Matrix Funds seek capital appreciation through investments principally in publicly-traded equity securities. Matrix does not provide specifically tailored investment advice to investors in the Matrix Funds, and investors may not impose investment restrictions on their investments in the Matrix Funds.

Matrix does not participate in wrap fee programs.

As of December 31, 2023, Matrix’s regulatory assets under management were approximately \$11,141,700,000, all of which are managed on a discretionary basis. Matrix does not manage assets on a non-discretionary basis.

## **B. AyurMaya Capital Management Company, LP**

AyurMaya Capital Management Company, LP (“AyurMaya”, collectively with Matrix, the “Firm”), a Delaware limited partnership, commenced operations in 2021 and is a relying adviser on Matrix’s Form ADV. AyurMaya is headquartered in Waltham, Massachusetts. AyurMaya is solely owned and controlled by David E. Goel.

AyurMaya serves as the manager with discretionary investment authority to the AyurMaya Capital Management Fund, LP, a Delaware limited partnership (the “AyurMaya Fund”, and together with the Matrix Funds, the “Funds” or “Clients”).

The AyurMaya Fund is a closed-end, privately offered investment vehicle exempt from registration as an investment company under the 1940 Act. Unless the context otherwise requires, reference to the “Fund” includes the AyurMaya Fund.

AyurMaya General Partner, LLC (the “AyurMaya General Partner”, collectively with the Matrix General Partner, the “General Partners”) is an affiliate of Matrix that also provides advisory services in its capacity as general partner of the AyurMaya Fund.

AyurMaya manages the AyurMaya Fund pursuant to the investment strategy set forth in such Fund’s limited partnership agreement and offering memorandum (the “AyurMaya Governing Documents”). The AyurMaya Fund seeks to make, primarily, long-term investments in the equity and equity-related securities of companies in the tech/life sciences sector. AyurMaya does not provide specifically tailored investment advice to investors in the AyurMaya Fund, and investors may not impose investment restrictions on their investments in the Funds.

AyurMaya does not participate in wrap fee programs.

As of December 31, 2023, AyurMaya’s regulatory assets under management were approximately \$951,100,000, all of which were managed on a discretionary basis. AyurMaya does not manage assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

The fees applicable to each Fund are set forth in detail in each Fund’s governing documents (“Governing Documents”). Generally, the Firm is paid a fee for its advisory services (the “Management Fee”). Additionally, the General Partners may receive incentive allocations or carried interest (as applicable) (“Performance Allocation”).

The Firm may, and has, in its discretion, agreed to waive all or a portion of the Management Fee with respect to a capital account or, with the consent of the investors, charge a Management Fee on a different basis or at a different rate. The Firm has the discretion to waive the payment of any Management Fee or Performance Allocation. The Firm reduces or waives Management Fees and/or Performance Allocation for certain affiliates and related persons of the Firm, including, without limitation, limited partners that are employees or partners of the Firm and/or their immediate family members, and accounts established for the benefit of such persons.

As more fully described in each Fund's respective Governing Documents, the Funds will generally bear expenses in connection with their organizational matters and investment activities, in certain cases subject to an expense cap. The Firm will allocate expenses in accordance with its expense allocation policies and procedures. Certain expenses are the obligation of a particular Fund and are borne by such Fund. Conversely, certain expenses relate to more than one Fund and in such instances are generally allocated among such Funds on a pro rata basis.

Neither Matrix, AyurMaya or any of its supervised persons accept any other forms of compensation.

#### **A. Matrix Capital Management Company, LP**

##### Management Fee

Matrix is paid a Management Fee, payable quarterly in advance, with respect to each capital account. The Management Fee from the Matrix Funds is equal to 0.375% (1.5% annualized) of such capital account's balance. The Management Fee is calculated and payable as of the first day of each calendar quarter, giving effect to any contributions on that day. A *pro rata* Management Fee is assessed on any capital contributions accepted as of any date other than the first day of the quarter and charged to the capital account of the contributing investor. If an investor withdraws all or a portion of the balance of a capital account other than on the last business day of a calendar quarter, Matrix will repay to the Fund for disbursement to the withdrawing investor a *pro rata* portion of the Management Fee charged to such capital account. Without consent of the investors, the Management Fee may be charged to, and paid by, the Master Fund, instead of the Feeder Funds.

##### Performance Allocation

Matrix receives a Performance Allocation generally equal to 20% of realized and unrealized net profits of each Feeder Fund for each fiscal year; provided, that each such Fund maintains a bookkeeping account to determine the high-water mark (a "Loss Recovery Account") that must be exceeded before the performance-based compensation with respect to an investor in a Fund is charged at a rate of 20%. The Loss Recovery Account of each investor in a Fund commences at zero. As of each adjustment date, the Loss Recovery Accounts of each Fund is either (i) increased by an amount equal to two and one-half times (250%) of any net loss allocated for such fiscal period or (ii) decreased (but not below zero) by the amount of any net profit allocated for such fiscal period. An investor will bear a Reduced Performance Allocation equal to 10% of its realized and unrealized net profits until the balance of its Loss Recovery Account is reduced to zero, and a Performance Allocation at the 20% rate thereafter. In the event that a Fund is terminated or an investor withdraws or redeems other than at the end of a fiscal year, then for purposes of determining the applicable Performance Allocation, net capital appreciation will be determined as if such dates were the end of the fiscal year, subject to certain adjustments.

##### Expenses

Matrix bears its own overhead expenses incurred in connection with managing the Funds, including expenses related to its office space, utilities, and employees, and all costs and expenses of travel undertaken by Matrix employees, including travel to perform due diligence related to acquiring prospective investments or to perform ongoing supervision of existing investments.

The Matrix Funds will bear, or reimburse Matrix for, expenses of its operations including but not limited to the following ordinary and extraordinary expenses:

- i. research expenses (including costs of developing data analytics and ongoing diligence of existing investments);
- ii. investment expenses (i.e., brokerage and clearing expenses and commissions, dealer spreads, margin interest expenses, and issue and transfer taxes);
- iii. legal, administration, accounting and auditing services, including the fees of the Partnership's independent accountants and Administrator for record keeping and price verification services;
- iv. expenses associated with regulatory filings related to portfolio investments;
- v. taxes and governmental fees;
- vi. Management fees;
- vii. insurance premiums, interest charges and all corporate fees payable to federal, state or other governmental agencies;
- viii. costs of investor notices and reports and the typesetting and printing of its offering memorandum;
- ix. bookkeeping, custodial, tax reporting and pricing and valuation fees and expenses;
- x. fees and disbursements of the Master Fund's Prime Broker(s);
- xi. consultant fees (including fees of independent contractors used for research and other investment related purposes);
- xii. all expenses of Limited Partners' meetings; and
- xiii. litigation and indemnification expenses, other costs and expenses incurred in connection with the business or operation of the Funds, and other extraordinary expenses not incurred in the ordinary course of the Fund's business.

**B. AyurMaya Capital Management Company, LP**

Management Fees

AyurMaya receives a Management Fee from the AyurMaya Fund equal to 0.375% (1.5% annualized) of total invested capital, subject to certain reductions identified in the Fund's Governing Documents.

### Carried Interest

AyurMaya receives performance-based compensation (“Carried Interest”) upon the realization of proceeds from investments; specifically, the AyurMaya Fund allocates 20% of such proceeds to the AyurMaya General Partner, subject to the return of capital contributions to investors.

### Expenses

AyurMaya bears its own overhead expenses incurred in connection with managing the AyurMaya Fund, including expenses related to its office space, utilities, and employees, and all costs and expenses of travel undertaken by AyurMaya, including travel to perform due diligence related to acquiring prospective investments or to perform ongoing supervision of existing investments.

The AyurMaya Fund will bear, or reimburse AyurMaya for, expenses of its operations and/or investments, including:

- i. expenses incurred in connection with the actual or proposed acquisition or disposition of portfolio investments, whether or not consummated, including accounting fees, consulting fees, due diligence expenses, brokerage and clearing expenses, commissions and fees, dealer spreads, margin interest expenses and other investment and financing costs, legal fees, issue and transfer taxes, costs related to the registration or qualification for sale of securities and broken-deal, break-up or similar fees, costs and expenses;
- ii. expenses incurred in connection with monitoring and hedging portfolio investments, including legal, insurance, accounting, custodial and safekeeping, consulting and auditing expenses and ongoing diligence expenses;
- iii. expenses relating to pricing and valuations and research-related expenses (including costs of developing data analytics, hiring external consultants and/or other service providers);
- iv. other administrative, legal, advisory, custodial, accounting, auditing, banking, professional, consulting and appraisal fees and expenses, including fees and expenses associated with the maintenance of the AyurMaya Fund’s books and records, outsourcing certain of the financial reporting and accounting services provided to the AyurMaya Fund as well as the preparation, filing and distribution of the AyurMaya Fund’s financial statements, tax returns and IRS Schedules K-1 and other reports to investors;
- v. the management fee, and any out-of-pocket costs, expenses or losses incurred in generating or realizing (or in seeking to generate or realize) fees that are subject to the Management Fee Offset, as defined in the AyurMaya Fund’s Governing Documents;
- vi. taxes and other governmental charges, fees and duties payable by the AyurMaya Fund to federal, state, local and other governmental agencies;



- vii. expenses associated with regulatory filings related to the AyurMaya Fund and its investments;
- viii. expenses incurred in connection with any limited partner meetings and/or meetings of portfolio companies, and expenses of any related reporting;
- ix. expenses incurred in connection with any “most favored nations” disclosure in respect of any side letter or similar written agreement or any elections by an investor in respect thereof, and expenses incurred in connection with ongoing compliance with the terms of side letters or similar written agreements and related elections and requests by investors;
- x. litigation-related expenses (including investigation and preparation costs) and premiums for insurance protecting the AyurMaya Fund and related or indemnified persons from liabilities in connection with the AyurMaya Fund’s affairs;
- xi. costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles;
- xii. costs and expenses incurred in connection with the organization and operation, winding up and liquidation of any the special purpose entity, holding company or similar entity formed with respect to portfolio investments, and costs and expenses incurred in connection with winding up and liquidating the AyurMaya Fund;
- xiii. expenses incurred in connection with amendments to the governing documents of the AyurMaya Fund or any special purpose entity, holding company or similar entity formed with respect to portfolio investments;
- xiv. costs related to any transfers of AyurMaya Fund interests, unless otherwise charged to or borne by the applicable transferor and/or transferee; and
- xv. any other expenses not listed in the preceding clauses that are not ordinary administrative and overhead expenses of AyurMaya and its affiliated management entities.

#### **Item 6 – Performance-Based Compensation and Side-By-Side Management**

As disclosed in Item 5 – Fees and Compensation above, Matrix and AyurMaya accept performance-based compensation. Funds bear performance-based compensation calculated differently and subject to different terms, and there may be waivers for certain investor accounts.

Matrix recognizes that managing Funds with differing terms relating to performance-based compensation (such as different loss carryforward limitations) presents potential conflicts of interest, including that Matrix may have an incentive to favor a Fund from which it collects higher management fees and performance-based compensation over another when allocating investment opportunities. For instance, Matrix could allocate a large share of more attractive investment opportunities to the higher fee-paying Fund, or spend more time and resources managing investments for such Fund. Generally, this conflict is mitigated, at least in part, by the Firm’s

Investment Allocation Policy, which sets forth the specific considerations utilized when allocating investment opportunities. The Investment Allocation Policy seeks to allocate investment opportunities in a fair and equitable manner. Please see Item 11 for additional information on the Investment Allocation Policy.

The fact that the Firm is, in part, compensated based on the performance of the Funds may create an incentive for the Firm to make investments on behalf of Funds that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. To mitigate this conflict, the Firm manages the Funds in accordance with the investment strategies and risk parameters disclosed in the Funds' offering materials.

## **Item 7 – Types of Clients**

Matrix and AyurMaya provide investment advisory services to the Matrix Funds and AyurMaya Fund respectively. The Funds are formed as partnerships and limited companies in the U.S. and Cayman Islands. Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act of 1933 ("Securities Act") and the 1940 Act. Investors in the Funds are generally "qualified purchasers" or "knowledgeable employees," each as defined in the 1940 Act (and rules promulgated thereunder) and may include, among others, U.S. and foreign-based high net worth individuals, corporations, trusts, institutions, financial institutions, and government entities. The Matrix Funds and AyurMaya Fund impose a minimum initial investment of \$5 million, which may be waived at the discretion of Matrix and AyurMaya respectively.

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

### **A. Matrix Capital Management Company, LP**

#### **Methods of Analysis and Investment Strategies**

The Master Fund seeks capital appreciation principally through investments in publicly traded equity securities but with a portion of the portfolio invested in securities of private companies. Matrix's primary goal is to generate an attractive risk-adjusted return by investing the Master Fund's assets in a concentrated portfolio of long and short positions. Matrix's strategy is to achieve this goal through maintaining a concentrated portfolio of long and short investments, over the long term, driven by differentiating research into company fundamentals. The process involves three key aspects: definition, initiation and allocation. Taken as a whole, the process is designed to inform and underpin Matrix's decision when to initiate a position, at what level of conviction, and for what internal rate of return.

Rather than spread Matrix's attentions across the entire investable universe, the investment team focuses on its areas of core competencies to define compelling investment themes and opportunities that will guide its stock picking. Under this aspect of the Master Fund's strategy, its investment professionals bring to bear their deep sector expertise, familiarity with business models, and ability to identify and delineate broad trends that will define markets over the medium and long term.

The Master Fund's investment program is speculative and entails substantial risks. There can be no assurance that the Partnership investment objective will be achieved, and its investment results may vary substantially on a monthly, quarterly or annual basis.

## **Risks**

### **Investment and Trading Risks in General**

Any investment in financial instruments carries certain market risks. An investment in the Funds is highly speculative and involves a high degree of risk due to the nature of the Master Fund's investments and the investment strategies and trading strategies to be employed. An investment in the Funds should not in itself be considered a balanced investment program. Investors should be able to withstand the loss of their entire investment.

All investments in financial instruments risk the loss of capital. No guarantee or representation is made that the Master Fund's investment program will be successful. The investment program will involve, without limitation, risks associated with possible limited diversification, leverage, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Master Fund's activities. Certain investment techniques of the Master Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Master Fund may be subject. In addition, the Master Fund's investment in financial instruments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Master Fund may invest its assets.

The Master Fund's method of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

### **Technology Sector**

The Master Fund invests in the securities of issuers in the technology sector, which investments involve substantial risks. These risks include but are not limited to: (i) the fact that certain companies in the portfolio of the Master Fund may have limited operating histories; (ii) rapidly changing technologies and products which may quickly become obsolete; (iii) cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; (iv) scarcity of management, engineering and marketing personnel with appropriate technological training; (v) the possibility of lawsuits related to technological patents; (vi) changing investors' sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) with their resultant effect on the price of underlying securities; and (vii) volatility in the U.S. stock markets affecting the prices of technology company securities, which may cause the performance of the Master Fund to experience substantial volatility.

Furthermore, the Master Fund may invest in companies whose performance may be highly correlated with their ability to successfully implement new technology and/or exploit existing

technologies. Technology-reliant sectors are challenged by various factors, including rapidly changing market conditions and participants, new competing products and services and improvements in existing products and services. There is no assurance that products or services sold by companies will not be rendered obsolete or adversely affected by competing products and services or other challenges.

In the event that technology-reliant sectors decline or that companies are unable to utilize technology successfully and competitively, returns to investors may decrease.

#### Investment and Trading Out of Sector

The Master Fund may trade in sectors other than the technology sector, including for hedging purposes and/or on an opportunistic basis. Although out-of-sector positions are not expected to represent core positions, the profit or loss from those positions could have a material impact on the Master Fund's performance.

#### Highly Volatile Markets

Both the markets and the prices of financial instruments in which the Master Fund may invest can be highly volatile. Price movements of equity and other securities and instruments in which the Master Fund's assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of government, and national and international political and economic events and policies. Fluctuations or prolonged changes in the volatility of securities and/or markets can adversely affect the value of investments held by the Master Fund.

#### Small- and Mid-Capitalization Issuers

Investing in the securities of companies with small- or mid-capitalization can involve greater risk and the possibility of greater portfolio price volatility than is typically associated with equity investments in larger, more established issuers. Historically, stocks of small or mid-capitalization companies and recently organized companies have been more volatile in price than those of the larger market capitalization companies. Among the reasons for greater price volatility of the stocks of these smaller or medium-sized companies and the lower degree of liquidity in the markets for such stocks. Further, smaller or medium-sized companies and unseasoned companies may have limited product lines, markets or financial resources, and they may depend upon a limited or less experienced management group. The securities of small capitalization companies may be traded only on the over-the-counter markets or on a regional securities exchange and may not be traded daily or in the volume typical of trading on a national securities exchange.

#### Leverage

Leveraging the Master Fund creates an opportunity for increased net income or capital appreciation but, at the same time, creates special risk considerations. Although the principal of borrowings underlying any leverage will be fixed, the Master Fund's assets may change in value during the time the borrowing is outstanding. Because any decline in value of the Master Fund's investments will be borne entirely by the Master Fund (and not by those persons providing the leverage to the Master Fund), the effect of leverage in a declining market would be a greater decrease in the value

of the Master Fund's portfolio investments than if the Master Fund were not so leveraged. Leveraging will create interest expenses for the Master Fund, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities purchased with borrowed funds exceeds the interest the Master Fund will have to pay, the Master Fund's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of the Master Fund will be less than if leverage were not used.

Leverage may include borrowing and also the use of margin. Other borrowings take the form of, or are embedded in, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of swap transactions. There can be no assurance that the Master Fund will be able to maintain adequate financing arrangements under all market circumstances.

As a general matter, the banks and dealers that provide financing to the Master Fund can apply discretionary margin, haircut, financing and valuation policies, or impose other credit limitations or restrictions, whether due to market circumstances or government regulation or judicial action. Such application or losses may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel the Master Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a loss of the Master Fund's equity. The use of leverage may also result in the recognition of "unrelated business taxable income" for tax-exempt investors in the Partnership.

### Liquidation of Securities

Matrix is responsible for determining the timing and manner of disposition of securities. Matrix seeks to attain the Master Fund's primary investment objective of appreciation of capital in determining the manner and timing of the sale of securities, although sales may also be made in order to harvest profits, to pay distributions, to reduce leverage, to pay expenses, to pay withdrawals, to reduce the Master Fund's exposure to losses or significant risks, or, in the case of debt securities, to adjust the risk, rate or maturity profile of the debt securities portfolio.

Dispositions of securities may be effected through, among other methods, open market sales, inclusion in public offerings in which insiders may liquidate their holdings, or divestiture through privately negotiated sales to private sector buyers. Timing of the disposition of securities is critical to realizing optimal returns on the Master Fund's investments, and depends on the issuer's performance, the judgment of controlling investors as to value, financial market conditions and opportunities, and governmental restrictions or incentives, some or all of which may influence the possibility or profitability of such disposition. There can be no assurance that there will be a market for the Master Fund's holdings when Matrix believes it appropriate to dispose of them.

There is no certainty that there will ever be a public market for the securities of private companies held by the Master Fund. In addition, practical limitations may restrict the ability of the Master Fund to sell or distribute its securities in a private company, such as limitations imposed by co-investors, financial institutions or management. The lack of liquidity of the Master Fund's

investments in private companies may preclude or delay any disposition of such investments, or reduce the proceeds that might otherwise be realized from any such disposition.

### Concentration of Holdings

Matrix may, and does, concentrate the Master Fund's assets. The Master Fund may hold a few, relatively large (in relation to its capital) investment positions in the same or similar financial instruments, markets or industries or that individually or in the aggregate exhibit substantial price volatility, with the result that a loss in any such position could have a material adverse impact on the net asset value of the Master Fund. To the extent Matrix makes such concentrated investments, the exposure to credit and market risks associated with such financial instruments, markets or industries will be increased.

### Hedging Strategies

Matrix is not required to attempt to hedge portfolio positions in the Master Fund and, for various reasons, may determine not to do so. Furthermore, Matrix may not anticipate a particular risk so as to hedge against it. The Master Fund may utilize financial instruments, both for investment purposes and for risk management purposes, in order to (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the securities market, (ii) protect the unrealized gains in the value of the Master Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Master Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Master Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Master Fund anticipates purchasing at a later date or (vii) for any other reason that Matrix deems appropriate.

### Long and Short Fundamental Investments

The identification of investment opportunities in undervalued and overvalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived mispricings underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from relationships expected by Matrix, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Such disruptions have in the past resulted in substantial losses for funds employing long and short fundamental strategies. Furthermore, the valuation models used to determine whether a position is mispriced may become outdated and inaccurate as market conditions change.

### Short Selling

Short selling involves selling securities which 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 seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Master Fund engages in short sales will depend upon Matrix's investment strategy and opportunities. 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

Master Fund of buying those securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Master Fund can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

#### Lending of Portfolio Securities

The Master Fund may lend portfolio securities to third parties. By doing so, the Master Fund attempts to increase income through the receipt of interest on the loan. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially. The Master Fund could experience losses if the institution with which it has engaged in a portfolio loan transaction breaches its agreement with the Master Fund.

#### Investment in Private Securities

Matrix expects private securities generally to comprise not more than 15% (measured at cost) of the Master Fund’s net assets. Accordingly, such investments may be illiquid and involve a high degree of business and financial risk which can result in substantial losses. Because of the absence of active or regulated trading markets for private securities, and because of the difficulties in determining market values accurately, it may take the Master Fund longer to be able to liquidate these positions (if they can be liquidated) than would be the case for more liquid securities. The prices realized on the resale of private securities could be less than those originally paid by the Master Fund. Further, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities. Because Matrix measures private securities at cost in determining the amount of the portfolio invested in private securities, if the value of private securities in the portfolio appreciates, the percentage of the portfolio invested in private securities measured at net asset value could be substantially higher than 15%.

#### Illiquid Securities

Certain securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Master Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Master Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the Master Fund

may be required to hold such securities despite adverse price movements. Even those markets which Matrix expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

### Liquidity Risks

Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Master Fund's portfolio positions may be reduced. During such times, the Master Fund may be unable to dispose of certain assets, which would adversely affect the Master Fund's ability to manage its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Master Fund to dispose of assets at reduced prices, thereby adversely affecting the Master Fund's performance. If there are other market participants seeking to dispose of similar assets at the same time, the Master Fund may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if the Master Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Master Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Master Fund's credit risk to them.

### Inability to Establish Positions

Some of the stocks that may be selected pursuant to Matrix's investment strategy for purchase or sale by the Master Fund may have insufficient market liquidity to allow the Master Fund to purchase such stocks in such amounts or at such prices as Matrix may deem reasonable for investment under such strategy. A substitute stock that may not meet all of Matrix's criteria for investment would then have to be purchased, which substitution may materially affect overall performance of the Master Fund.

### Investments in Regulated Industries

The Master Fund may invest in industries that are subject to greater amounts of regulation than other industries generally. Investments in companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If the Master Fund or one of its investments fails to comply with these requirements, the Master Fund or such investment could also be subject to civil or criminal liability and the imposition of fines. The Master Fund or one of its investments could also be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such an investment. Governments have considerable discretion in implementing regulations that could impact the Master Fund or its investments, and governments may be influenced by political considerations and may make decisions that adversely affect the Master Fund or its investments.



### Competition; Availability of Investments

Certain markets in which the Master Fund may invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that Matrix will be able to identify or successfully pursue attractive investment opportunities in such environments.

### Dependence on Key Personnel

The success of the Funds is largely dependent upon the continued service of David Goel and the Firm's Executive Officers. There can be no assurance that such persons will remain willing or able to provide advice to the Funds. The performance of the Funds depends upon certain key personnel, including David Goel. The loss of the services of one or more of such persons could have a material adverse effect on the Funds.

### Significant Positions in Securities; Regulatory Requirements

In the event the Master Fund acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the Master Fund may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the Master Fund and Matrix. Any such requirements may impose additional costs on the Master Fund and may delay the acquisition or disposition of the securities or the Master Fund's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that the Master Fund's position limits were aggregated with an affiliate's position limits, the effect on the Master Fund and resulting restriction on its investment activities may be significant. If at any time positions managed by Matrix were to exceed applicable position limits, Matrix would be required to liquidate positions, which might include positions of the Master Fund, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, the Master Fund might have to forego or modify certain of its contemplated trades.

In addition, if the Master Fund, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Master Fund may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the Master Fund will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

## Banking Relationships

The Funds will hold cash and other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, “**Banking Institutions**”), which may include both U.S. and non-U.S. Banking Institutions from time to time. The Funds may also enter into credit facilities and have other relationships with Banking Institutions as contemplated elsewhere in the Funds offering documents. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of the Funds to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on the Funds. For example, in such a scenario, the Funds could be forced to delay or forgo an investment or a distribution, including in connection with a withdrawal or redemption, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation (“**FDIC**”) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, the Funds may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). Matrix does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its or the Funds' banking relationships, and there can be no assurance that Matrix or the Funds will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

## Legal and Regulatory Environment for Private Investment Funds and their Managers

The legal, tax and regulatory environment worldwide for private investment funds (such as the Funds) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Funds to pursue its investment program and the value of investments held by the Funds. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Funds and the investors' investments therein. In addition, Matrix may, in its sole discretion, cause the Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in the Funds' interest, even if such laws and regulations may have a detrimental effect on one or more investors. Such administrative burdens may divert Matrix's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution. In addition, such increased regulation may increase Matrix's and the Funds' exposure to potential legal, compliance, reporting and other related costs or liabilities.

## Alternative Data

Matrix may use alternative data in its investment process. Alternative data includes datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases. These data are sometimes referred to as “big data” or “alternative data”. Matrix applies these alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne—in whole or in part—by the Funds. No assurance can be given that Matrix will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for Matrix and the Funds in numerous jurisdictions. Matrix cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to Matrix or to the Funds. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of the Funds.

## Exposure to Material Non-Public Information

From time to time, Matrix may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Master Fund may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. These restrictions will limit Matrix’s flexibility to manage the Master Fund’s investments and could result in significant losses.

## Investment in Investment Companies

The Master Fund may from time to time invest a portion of its assets in investment companies managed by unaffiliated third parties primarily for the purposes of cash management. The investors will indirectly bear the Master Fund’s proportionate share of any management fees and other expenses paid by such investment companies in which the Master Fund invests in addition to the Management Fee and other fees paid by the Funds, as well as the performance allocation.

## Turnover

The turnover rate of the Master Fund’s investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transaction costs. A high turnover rate may also result in the realization of short-term capital gains which generally will be taxable to the Partnership’s investors at the same tax rate as ordinary income.

### Discretion to Employ New Strategies and Techniques

Matrix has considerable discretion in the types of financial instruments which the Master Fund may trade and has the right to modify the trading strategies or techniques of the Master Fund without the consent of investors. Any of these new trading strategies or techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Master Fund. In addition, any new trading strategy or technique developed by the Master Fund may be more speculative than earlier techniques and may increase the risk of an investment in the Master Fund.

### Regulation in the Derivatives Industry

There are many rules related to derivatives that may negatively impact the Master Fund, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter (“OTC”) instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of Matrix and the Master Fund, and increase the amount of time that Matrix spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Master Fund.

These rules are operationally and technologically burdensome for Matrix and the Master Fund. These compliance obligations require employee training and use of technology, and there are operational risks borne by the Master Fund in implementing procedures to comply with many of these additional obligations.

These regulations may also result in the Master Fund forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants), as the use of other parties may be more efficient for the Master Fund from a regulatory perspective. However, this could limit the Master Fund’s trading activities, create losses, preclude the Master Fund from engaging in certain transactions or prevent the Master Fund from trading at optimal rates and terms.

Many of these requirements were implemented pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”) and similar regulations globally. In the United States, the Dodd-Frank Act divides the regulatory responsibility for derivatives between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps”. EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to

security-based swaps and EMIR regulations, that are still in the proposal stage or are expected to be introduced in the future.

### General Economic and Market Conditions

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. A Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets – the larger the positions, the greater the potential for loss.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

### Possible Economic Downturns

The value of the Funds' investments may fluctuate in accordance with changes in the financial condition of the issuers of the portfolio securities, the value of debt and equity securities in general and other factors that affect the markets in which the Funds invest. Economic slowdowns or downturns could lead to financial losses in the Funds' portfolio securities and net assets of the Funds. In addition, many of the Funds' portfolio securities may be similarly subject to the same economic conditions, which could adversely impact the Funds' returns.

The risks inherent in the investments made by the Funds include those associated with investments in debt and equity securities, including the risk that the financial condition of issuers may become impaired or that the general condition of the debt and equity markets may deteriorate (either of which may cause a decrease in the value of the portfolio securities and thus in the value of the assets of the Funds). Debt and equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic or banking crises. Decreases in the market value of the investments made by the Funds will adversely affect the returns of the Funds.

### Inflation Risk

Inflation risk is the risk that the value of certain Master Fund investments or income thereon will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Master Fund's investments can decline. The United States and other economies have recently experienced historically high inflation rate levels and there is uncertainty in connection with changing expectations relating to inflation and deflation. Changes in inflation rates may adversely impact the Master Fund and its return on investments. For example, returns on investments of the Master Fund may suffer as a result of inflation.

### Potential Interest Rate Increases

The United States has experienced periods of low interest rate levels. Recently, however, short-term and long-term interest rates have risen. The uncertainty of the U.S. and global economy, changes in U.S. government policy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. Sustained future interest rate volatility may cause the value of the fixed income securities held by the Master Fund to decrease, which may result in substantial withdrawals from the Fund that, in turn, force the Master Fund to liquidate such securities at disadvantageous prices negatively impacting the performance of the Master Fund.

### Equity Securities

The Master Fund may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from Matrix expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move. The Master Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

### Preferred Stock

Preferred stock generally has a preference as to dividends and upon the event of liquidation over an issuer's common stock, but it ranks junior to debt securities in an issuer's capital structure. Preferred stock generally pays dividends in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

### Convertible Securities

Convertible securities are stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Master Fund is subject to redemption, the Master Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Master Fund’s ability to achieve its investment objective.

#### Futures Contracts

The value of futures contracts depends upon the price of the securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Master Fund’s positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Master Fund from promptly liquidating unfavorable positions and subject the Master Fund to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

### Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the Master Fund also is subject to Matrix's ability to correctly predict movements in the direction of the market.

### Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

### Debt Securities Generally

The Master Fund may invest in private and government debt securities and instruments. The Master Fund may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

### Non-Investment Grade Securities

The Master Fund may invest without limitation in non-investment grade debt securities, also known as "junk" bonds. Although such securities have higher yields, they also have a high degree of risk. The rating agencies consider non-investment grade debt securities, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation and generally such securities involve more credit risk than investment grade debt securities. Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Changes in economic



conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than in the case for higher grade debt securities. An economic downturn affecting an issuer of non-investment grade debt securities may result in an increased incidence of default. In addition, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

### Derivatives; Swaps

The Master Fund may purchase and sell derivatives. “Derivatives” are financial instruments or contractual arrangements whose economic results depend upon, or are derived by reference to, other securities (equity or fixed income), commodities, currencies, interest rates, indices, or other assets, the relative values of two or more items or assets, economic or other activities, or other items. Some derivatives are standardized instruments, such as futures contracts or options traded on recognized exchanges. Other derivatives are directly negotiated contractual arrangements with one or more counterparties. Terms, conditions and characteristics of derivatives vary widely, and new structures and products are developed continually. Such products are often complex, involve significant leverage, and are dependent upon credit and other considerations affecting the ability or willingness of the counterparties with which the Master Fund deals to perform as anticipated. In general, derivatives involve a high degree of risk (including the possibility of total loss) as well as the opportunity for gain.

Swap transactions are privately negotiated, non-standardized derivative agreements between the Master Fund and a counterparty to exchange or swap investment cash flows or assets at specified intervals in the future measured by different commodities or other items, indices, or prices, with payments generally calculated by reference to a principal (“notional”) amount or quantity. Swap trading is similar to the spot and forward markets in that banks, broker-dealers or their affiliates generally act as principals in the swap markets, and the Master Fund is subject to risks similar to those described in the discussion of the spot and forward markets, below.

### Other Derivative Instruments

The Master Fund may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Master Fund and legally permissible. Special risks may apply to instruments that are invested in by the Master Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Master Fund. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Master Fund.

## Options

The Master Fund may incur risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The Master Fund may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Options may be exchange traded or traded over-the-counter (off the exchange markets) directly with dealers. To the extent an over-the-counter option is a tailored investment for the Master Fund, it may be less liquid than an exchange-traded option. Further, as with other derivative investments, over-the-counter options are subject to counterparty risk. The Master Fund will have the credit risk that the seller of an over-the-counter option will not perform its obligations under the option agreement if the Master Fund exercises the option. Options purchased on futures contracts on foreign exchanges are exposed to the risk of foreign currency fluctuations against the U.S. dollar.

## Stock Index Options

The Master Fund may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the OTC market. A stock index fluctuates with changes in the market values of the stocks included in the index. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Master Fund will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Master Fund of options on stock indices will be subject to Matrix's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks.

### Repurchase and Reverse Repurchase Agreements

The Master Fund may enter into repurchase and reverse repurchase agreements. When the Master Fund enters into a repurchase agreement, the Master Fund “sells” securities issued by the U.S. or a non-U.S. government, or agencies thereof, to a broker-dealer or financial institution, and agree to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Master Fund “buys” securities issued by the U.S. or a non U.S. government, or agencies thereof, from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Master Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Master Fund involves certain risks including that the seller under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities. Disposing of the security in such cases may involve costs to the Master Fund.

### Blockchain and Digital Asset Related Investment Risk

The Funds’ portfolio may include investments in actively managed companies building products and services in the nascent blockchain and digital asset ecosystem such as infrastructure, payments, enterprise, media and financial services. Digital asset and blockchain-led transformation may be years away. So far, blockchain technology has, in many instances, not challenged traditional business models with a lower-cost solution, and has not yet overtaken incumbent firms. It may take decades for digital assets and blockchain technologies to be integrated with economic infrastructure. Companies in the blockchain and digital asset related space may not become highly profitable for many years or decades.

### Artificial Intelligence Risks

The Master Fund invests in companies involved in, or exposed to, artificial intelligence. Such companies may have limited product lines, markets, financial resources or personnel. These companies face intense competition and potentially rapid product obsolescence, and many depend significantly on retaining and growing the consumer base of their respective products and services. Many of these companies are also reliant on the end user demand of products and services in various industries that may in part utilize robotics and artificial intelligence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. There can be no assurance these companies will be able to successfully protect their intellectual property to prevent the misappropriation of their technology, or that competitors will not develop technology that is substantially similar or superior to such companies’ technology. Robotics and artificial intelligence companies typically engage in significant amounts of spending on research and development, and there is no guarantee that the products or services of such companies will be successful.

### Non-U.S. Investments

The Master Fund may invest a portion of its assets in securities of non-U.S. companies, which are traded in non-U.S. markets. Investing in the securities of companies in non-U.S. countries may involve certain considerations not usually associated with investing in securities of U.S. companies

or U.S. markets, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain, other income or gross sale or disposition proceeds; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Master Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in such countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the U.S. There is also less regulation, generally, of the securities markets in such countries than there is in the U.S.

The Master Fund may trade futures, options and forward contracts in markets located outside the United States where CFTC regulations do not apply. Some non-U.S. exchanges, in contrast to U.S. exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, the Master Fund is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. In addition, the trading of forward contracts on certain non-U.S. commodity exchanges may be subject to price fluctuation limits.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

#### Assumption of Catastrophe Risks

The Master Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; social or political unrest, cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Master Fund invests (or has a material negative impact on the operations of Matrix or service providers to the Funds), the risks of loss can be substantial and could have a material adverse effect on the Funds and the investors' investments therein. Furthermore, any such event may also adversely impact one or more individual investors' financial condition, which could result in substantial withdrawal requests by such investors as a result of their individual liquidity situations and irrespective of Fund performance.

## Public Health Emergencies

Any public health emergency, including an outbreak of a concerning coronavirus (such as COVID-19) or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their portfolio investments and could adversely affect Matrix's ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the Funds and their portfolio investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the portfolio investments held by the Funds and Matrix's ability to source, manage and divest investments and the ability to achieve its investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their portfolio investments, and Matrix may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

## Climate Change-Related Risks

The environmental effects of climate change, including rising temperatures, extreme weather, fires, flooding, erratic weather fluctuations, agricultural failures and displacement and destabilization of human populations, could have materially adverse effects on the investments held by the Funds. Matrix believes that such risks may increase over time, although the time period over which these consequences might unfold is difficult to predict.

In addition to the physical, economic and geo-political risks associated with climate change, there are transition risks. The willingness of certain governments, industries and businesses, especially those that profit from, or have a reliance on, fossil fuels, to adapt to climate change or transition to sustainable practices may also adversely affect Fund investments.

Regulatory changes and divestment movements tied to concerns about climate change could adversely affect the value of certain industries whose activities or products are seen as accelerating climate change, or ill-positioned in light of the economic and social demands imposed by climate change. In recent years, certain investors have incorporated the business risks of climate change and the adequacy of companies' responses to climate change as part of their investment theses. These shifts in investing priorities may result in adverse effects on the trading price of securities if investors determine that the company has not made sufficient progress on climate change and environmental sustainability matters whether or not climate change proves to be as severe as predicted or preventable.

The values of investments whose performance is linked to assets and revenue streams that are exposed to climate change risk, may readily be affected by both long-term, systemic effects of

climate change, as well as severe environmental events whose occurrence is inherently unpredictable.

### Sanctions

The Master Fund's operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, the Master Fund may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom from time to time), and the Restrictive Measures adopted by the European Union. Some sanctions that may apply to the Master Fund prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or "safe harbor" for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions.

Depending on the scope and duration of a particular sanctions program, compliance by the Master Fund may result in a material adverse effect on the Funds and the investors' investments therein. Matrix and the Master Fund may be subject to heightened or targeted regulatory scrutiny and information requests as a result of such sanctions. In addition, if Matrix or the Master Fund were to violate or be deemed in violation of any such sanction, it could face significant legal and monetary penalties. Sanctions may negatively impact the Master Fund's ability to effectively implement its investment strategy and have a material adverse impact on the Master Fund's investments in various ways, including by preventing or inhibiting the Master Fund from making certain investments, forcing the Master Fund to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of the Master Fund's investments. Finally, sanctions may have broader economic implications, such as influencing the price of certain commodities, which may have adverse effects on inflation and the value of the U.S. dollar, which may adversely affect investment objectives and strategies of the Master Fund.

### Russia-Ukrainian Conflict

The Russian invasion of Ukraine that commenced on February 24, 2022, has resulted in complex, evolving and systemic economic effects that may influence financial benchmarks key to asset pricing, interest rates and lending availability, as well as financial and physical market liquidity, and the price and availability of essential commodities, in an unpredictable fashion for an uncertain duration. Acute effects to particular commodity and foreign securities markets are possible. Russia and Ukraine are major participants in certain commodities sectors, such as for agricultural (e.g., wheat) and energy (e.g., oil and natural gas) products. Furthermore, this conflict has also resulted in swift multilateral sanctions targeting Russia's financial sector and access to capital markets with designations of dozens of individuals and entities, including the Russian Central Bank, several large publicly-traded Russian banks and companies, Russia's sovereign wealth funds, and Russian

oligarchs and other members of the Russian elite, including Russian Federation President Vladimir Putin. The sanctions imposed are complex and the prohibitions apply to various types of debt and equity transactions involving sanctioned persons, including bonds, loans, loan guarantees, extensions of credit, letters of credit, stocks, share issuances, and depository receipts, among others. For example, U.S. persons are prohibited from transacting, financing or otherwise dealing in certain new debt and equity of certain financial institutions and companies critical to the Russian economy. In addition, certain imports, exports, the transfer of US dollar banknotes to Russia, and new investments involving the Russian energy sector are prohibited. The unpredictable and evolving economic effects resulting from the Russia-Ukrainian conflict and the regulations, orders, and sanctions adopted by governments in response to this conflict may affect the value of the Securities or the Master Fund's ability to acquire or dispose of such securities or investments in an efficient manner. These factors may have negative consequences for the valuation of the Master Fund's portfolio that Matrix may be unable to anticipate or hedge against.

## MiFID II

The package of European Union market infrastructure reforms known as "MiFID II" (i.e., the Markets in Financial Instruments Directive (2014/65/EU)) increased regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU-regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, over time, as some of the sources of liquidity exit European markets, and may result in significant increases in transaction costs.

Other regulatory changes, such as an increase in the scope of commodities and commodity derivatives regulation, including position limits and regulatory position management powers could, over time, similarly lead to liquidity reduction and/or an increase in costs and spreads in the European commodities markets.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of Matrix to execute the investment program.

New rules requiring unbundling the costs of research and other services from dealing commission and further restrictions on Matrix's ability to receive certain types of goods and services from brokers may also result in an increase in the investment-related expenditure of the Master Fund.

## Exchange Rate Fluctuations; Currency Considerations

The Master Fund may invest a portion of its assets in the securities of non-U.S. issuers and instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. The Master Fund, however, values its assets in U.S. dollars. The Master Fund may hedge its non-U.S. currency exposure, but it may not always be practicable or economical to do so. Moreover, Matrix may choose not to enter into hedging transactions in

order to obtain the non-U.S. currency exposure associated with such investments. To the extent unhedged, the value of the Master Fund's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the Master Fund makes its investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Master Fund's investments in their local markets and may result in a loss to the Master Fund. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Master Fund's non-U.S. dollar investments.

Furthermore, the Master Fund may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Master Fund at one rate, while offering a lesser rate of exchange should the Master Fund desire immediately to resell that currency to the dealer. The Master Fund will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies. It is anticipated that most of the Master Fund's currency exchange transactions will occur at the time non-U.S. investments are purchased and will be executed through the local broker or custodian acting for the Master Fund.

The Master Fund may seek to protect the value of some portion or all of its portfolio holdings against currency fluctuations by engaging in hedging transactions, but there can be no assurance that such hedging transactions will be effective. The Master Fund may enter into forward contracts on currencies, as well as purchase put or call options on currencies, in U.S. or non-U.S. markets. In order to hedge against adverse market shifts, the Master Fund may purchase put and call options on stocks, and write covered call options on stocks. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time when the Master Fund wishes to use them or will be able to be liquidated when the Master Fund wishes to do so. Moreover, in most emerging countries the markets for certain of these hedging instruments are not highly developed and in many emerging countries no such markets currently exist. Many emerging markets have hyper-inflationary economies where the risks associated with holding currency are significantly greater than in other, less inflationary markets. In addition, the Master Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

#### Necessity for Counterparty Trading Relationships; Counterparty Risk

The Master Fund expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Master Fund to trade in any variety of markets or asset classes over time; however, there can be no assurance that the Master Fund will be able to maintain such relationships or establish such relationships. An inability to establish or maintain such relationships would limit the Master Fund's trading activities, could create losses, preclude the Master Fund from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent the Master Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before the Master Fund establishes additional relationships



could have a significant impact on the Master Fund's business due to the Master Fund's reliance on such counterparties.

Some of the markets in which the Master Fund may effect transactions are not "exchange-based", including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Master Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties. Generally, the Master Fund will not be restricted from dealing with any particular counterparties. The Management Company's evaluation of the creditworthiness of the Master Fund's counterparties may not prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Master Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund.

#### Counterparty Insolvency

The Master Fund's assets may be held in one or more accounts maintained for the Master Fund by counterparties, including its prime brokers. There is a risk that any of such counterparties could become insolvent and/or subject to insolvency proceedings. The insolvency of the Master Fund's counterparties is likely to impair the operational capabilities or the assets of the Master Fund. Although Matrix will regularly monitor the financial condition of the counterparties they use, if one or more of the Master Fund's counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code), there exists the risk that the recovery of the Master Fund's instruments and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the instruments or assets originally entrusted to such prime broker or broker-dealer.

In addition, the Master Fund may use counterparties located in jurisdictions outside the United States. Such local counterparties are subject to the laws and regulations in foreign jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Master Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of its insolvency on the Master Fund and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Master Fund, which could be material.

## Systemic Risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Master Fund interacts on a daily basis.

## Valuation Risk; Use of Estimates

Valuations of the Master Fund’s investments that will affect the amount of the Management Fee and the Performance Allocation may involve uncertainties and judgmental determinations. Third-party pricing information may at times not be available regarding certain of the Master Fund’s securities, derivatives and other investments. A disruption in the secondary markets for the Master Fund’s portfolio investments may limit the ability of the Master Fund to obtain accurate market quotations for purposes of valuing their portfolio investments and determining the Master Fund’s net asset value. In addition, material events occurring after the close of a principal market upon which a portion of the securities or other assets of the Master Fund are traded may require Matrix to make a determination of the effect of a material event on the value of the securities or other assets traded on the market for purposes of determining valuation of Master Fund assets. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by the Master Fund from time to time, the liquidation values of the Master Fund’s securities and other investments may differ significantly from the interim valuations of these investments derived from the valuation methods described herein. Prospective investors should understand that these and other special situations involving uncertainties as to the valuation of investment positions could have an impact on the net asset value of the Master Fund if judgments regarding the appropriate valuation should prove to be incorrect. If the Master Fund valuations should prove to be incorrect, the value of an investor’s Interest could be adversely affected. Absent bad faith or manifest error, valuation determinations in accordance with the Master Fund’s valuation policy will be conclusive and binding.

## Valuation of Private Securities

The Master Fund invests in private securities for which no liquid market exists. The Master Fund may not be able to readily dispose of such private securities and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. The sale of private securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. There is no guarantee that such private securities could be sold at the values at which they may be carried on the books of the Master Fund. Furthermore, while Matrix engages valuation agents, the valuation of such private securities ultimately will be determined by the General Partner, whose determination will be final and conclusive as to all parties. In addition, because Matrix measures private securities at cost, situations may arise where such private securities exceed 15% of the net asset value of the Master Fund, while, when measured at cost, such private securities comprise less than or equal to 15% of the Master Fund’s net assets. The value actually realized for a private security may differ from the

value such private security was carried at on the books at the time of a particular withdrawal or calculation of the Performance Allocation.

### Cybersecurity Risk

As part of its business, Matrix processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Master Fund and personally identifiable information of the investors. Similarly, service providers of Matrix, the Master Fund and the Master Fund, especially the Administrator, may process, store and transmit such information. Matrix has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network-connected services provided by third parties to Matrix may be susceptible to compromise, leading to a breach of Matrix's network. The Management Company's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by Matrix to the investors may also be susceptible to compromise. Breach of Matrix's information systems may cause information relating to the transactions of the Partnership or the Master Fund and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of Matrix, the Partnership and the Master Fund are subject to the same electronic information security threats as Matrix. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Partnership or the Master Fund and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Matrix's or the Partnership's proprietary information may cause Matrix or the Partnership or the Master Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Partnership and the investors' investments therein.

## **B. AyurMaya Capital Management Company, LP**

### **Methods of Analysis and Investment Strategies**

The AyurMaya Fund seeks to make, primarily, long-term investments in the equity and equity-related securities of companies in the tech/life sciences sector. The AyurMaya Fund's strategy focuses on sourcing, diligence and evaluating the investment merits of tech/life sciences companies developing next generation therapeutics, programmable precision medicines, disruptive platforms of artificial intelligence/machine learning ("AI/ML"), next generation tools and diagnostics and other companies at the forefront of innovation and disruption in life sciences. In each case, the AyurMaya Fund pursues a category of companies leveraging the convergence of biology and technology and, more specifically, technology that is based on AI/ML, quantum

computing and novel or disruptive processes and methodologies. AyurMaya's investment committee (the "Investment Committee") uses its collective experience and knowledge to identify thematic investments in this category, and approve the highest conviction ideas that AyurMaya believes warrant investment by the AyurMaya Fund.

## **Risks**

Certain risk factors identified above relate to both the Matrix investment strategy and the AyurMaya investment strategy. We have highlighted here certain risk factors that are specifically applicable to the AyurMaya strategy.

### **Investment and Trading Risks in General**

All securities investments risk the loss of capital. There can be no assurance that the AyurMaya Fund's investment program will be successful. The investment program involves, without limitation, risks associated with possible limited diversification, volatility, credit deterioration or default risks, systems risks and other risks inherent in the AyurMaya Fund's and its investments' activities. Certain investment techniques of the AyurMaya Fund can, in certain circumstances, magnify the impact of adverse market moves to which the AyurMaya Fund may be subject. In addition, the AyurMaya Fund's investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the AyurMaya Fund may invest. Further, there can be no assurance that (i) AyurMaya will be able to choose, make and realize investments on behalf of the AyurMaya Fund in any particular company or portfolio of companies, (ii) the AyurMaya Fund will be able to generate positive returns for investors or that any positive returns will be commensurate with the risks of investing in the type of companies and transactions described herein or (iii) any investor will receive any distributions from the AyurMaya Fund. Investors could experience a loss of their entire investment in the AyurMaya Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

The AyurMaya Fund's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

### **Limited Diversification**

The AyurMaya Fund may make a limited number of investments, or a limited group or groups of related investments, and, as a consequence, the aggregate return of the AyurMaya Fund may be materially and adversely affected by the unfavorable performance of even a single investment. In addition, the AyurMaya Fund will focus on investments only in the tech/life sciences sector, and may focus on investments only in certain subsectors of the tech/life sciences sector. Therefore, the AyurMaya Fund's investment program will involve more risk, including greater credit and market risks, and will be subject to greater market fluctuations, than a portfolio of investments that is not concentrated in a limited number of investments, a particular sector and/or a subsector. If the

overall state of the industry or the specific sectors and companies in which the Fund invests perform poorly, the Fund will be adversely affected.

### Private Investments Generally

The AyurMaya Fund will make private investments, including in early-stage companies, which are illiquid and exposed to a high degree of business and financial risk. Such risks may adversely affect the performance of any such investments and result in substantial losses to the AyurMaya Fund. While the targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the AyurMaya Fund will be adequately compensated for risks taken. A loss of principal is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early, while successes often require a long maturation.

The AyurMaya Fund may acquire control positions in addition to advisory roles with respect to portfolio companies, along with certain contractual rights to protect its investments (including shareholder agreements, redemption rights and/or the right to place a designee of AyurMaya on the board of directors or as a board observer). However, the AyurMaya Fund may not always have control over its portfolio companies. Management or shareholders of portfolio companies may refuse to adopt the recommendations of AyurMaya and disagreements with existing management may otherwise arise. Investment losses may result from such refusals or disagreements. Furthermore, in certain circumstances in which the AyurMaya Fund does not own 100% of the equity of a portfolio company, but has a controlling interest, AyurMaya actions may be limited by fiduciary obligations to minority owners.

### Use of Leverage by Private Investments

Private investments in highly leveraged companies involve a high degree of risk. Some of the AyurMaya Fund's portfolio companies may be leveraged, which will increase the exposure of such companies to adverse economic factors such as rising interest rates, reduced cash flows, inflation, downturns in the economy or deterioration in the conditions of such companies or their industry sectors. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the value of such portfolio company could be significantly reduced or even eliminated, and the AyurMaya Fund may suffer a partial or total loss of its invested capital, which would adversely affect the return on capital invested in the Fund.

### Follow-On Investments

The AyurMaya Fund may be called upon to make follow-on investments in portfolio companies or have the opportunity to increase its investment in portfolio companies. There can be no assurance that the AyurMaya Fund will make any such follow-on investment or that it will have sufficient funds to do so should AyurMaya wish to do so. Any decision not to make such a follow-on investment, or any inability to do so, may have a substantial negative impact on the relevant portfolio company, may diminish the AyurMaya Fund's ability to influence the portfolio company's future development, may result in dilution of the AyurMaya Fund's prior investment, and could impair the value of such underlying company and, in turn, the investment of the AyurMaya Fund therein. In the event the AyurMaya Fund makes a follow-on investment, there is also the risk that the follow-on investment will not preserve, protect or enhance the existing

investment, and the AyurMaya Fund may lose both its initial investment and the follow-on investment.

#### Early-Stage and Development-Stage Companies

Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing, which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper is small. Furthermore, companies at an early or development stage may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Such companies will often rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may also adversely impact the performance of these companies. In all cases, the AyurMaya Fund will be subject to the risks associated with the underlying businesses engaged in by its portfolio companies.

#### Growth-Late Stage Companies

The AyurMaya Fund expects to make growth and/or late-stage or cross-over investments. Investments in more mature companies also involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business, or develop new products and markets. These activities by definition involve a significant amount of corporate change and could give rise to significant problems, whether they be in product development, sales and manufacturing or the general management of any such activities.

#### Concentration in the Tech/Life Sciences Sector

The AyurMaya Fund's general focus on companies in the tech/life sciences sector means that the AyurMaya Fund's performance will be affected by events occurring in this sector, including potential changes in government policies or regulatory requirements. Companies in this sector often face similar obstacles, issues and regulatory burdens. As a result, the AyurMaya Fund will be affected to a greater extent by factors affecting such companies than would be the case if the Fund held a more diversified portfolio. Such factors affecting companies in the tech/life sciences sector may include, but are not limited to: certain companies may have limited operating histories, making it difficult to assess the effectiveness of such companies' management, likelihood of their products' marketability and/or eventual commercial success; certain companies may not have sufficient management or marketing personnel with appropriate scientific or medical training in order to adequately produce or market their products, which may slow or impede any revenue streams and/or such companies' growth, and the prices at which securities in such companies are acquired by the AyurMaya Fund may be based, in part, on revenue projections with respect to the underlying products that prove to be inaccurate. Certain companies in which the AyurMaya Fund may invest may also experience adverse impacts from: unanticipated delays in research and development efforts; previous preclinical testing or clinical trial results that ultimately are not indicative of future clinical trial results; errors in the conduct of clinical trials; adverse safety

findings regarding products and/or processes; clinical trial results that do not support submission of a marketing approval application for product candidates; intellectual property considerations (as discussed below); reliance on third-party manufacturers, collaborators, and clinical research organizations who may fail to perform according to agreed specifications; inability to control the development of out-licensed products; inability of collaborators to develop and commercialize product candidates; inability to maintain or obtain adequate product liability and other insurance coverage; adverse impact of technological advances and competition; inability to compete against third parties with greater resources; changes in pricing and reimbursements in the markets in which they compete; excessive leverage; limitations on their ability to incur additional indebtedness and incur liens on their assets restricting their ability to obtain additional capital when needed; cost of goods sold remaining high enough that it is difficult to achieve profitability; third-party payors for products or diagnostics rescinding or modifying their contracts or reimbursement policies or delaying payments; inability to expand as expected; failure to receive reimbursement under changing Medicare rules; failure of physicians and/or other third-parties to prescribe and/or utilize a product or process to the extent anticipated; inability to obtain inputs necessary to the manufacture of a product or diagnostic at the anticipated cost; failure of information technology and telecommunications systems that are critical to their business; failure to appropriately handle or dispose of biological and hazardous materials; misplaced reliance on third-party distributors; difficulties in integrating legacy companies from a merger or acquisition; inability to recruit talented personnel, including scientists; and changes in government policies or regulatory requirements of various agencies.

### Regulatory Approvals

Companies in the tech/life sciences sector generally are often subject to governmental regulation and approval of their products, which can have a significant effect on their value. Usually, such companies require the approval of agencies such as the U.S. Food and Drug Administration (“FDA”) prior to marketing their products to the public. Of particular significance are the FDA requirements covering research and development, testing, manufacturing, quality control, labeling and promotion of drugs for human use. The approval process is very lengthy and very costly, and there can be no guarantee that a portfolio company will obtain the necessary approvals for its products. If a portfolio company is unable to obtain these approvals in a timely fashion, the portfolio company may experience significant adverse effects, which in turn could negatively affect the performance of the AyurMaya Fund. Moreover, the current regulatory framework may change or additional regulations may arise at any stage during the product development phase, which may affect the portfolio company’s ability to obtain approval of its products. Even if all applicable governmental and/or regulatory approvals are obtained with respect to such product, previously unknown or undisclosed side-effects or complications relating to the product may be disclosed, resulting in a loss of market acceptance or a withdrawal of previously granted approvals, thereby reducing or eliminating the revenue stream derived from such products. Moreover, to the extent the Fund holds securities in public companies from time to time, stock prices of tech/life sciences companies are very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny.

### Intellectual Property Considerations

The AyurMaya Fund may invest in the securities of companies that will need to obtain patents for their products, both in the U.S. and in other countries. The patent protection of the intellectual property of tech/life sciences companies in many countries is highly uncertain and involves complex legal, scientific and factual issues. Companies in which the AyurMaya Fund invests may face costs associated with prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights, be unable to obtain patent protection for discoveries or to in-license potential drug compounds or drug candidates or other technology and/or products. The policy regarding allowable claim matter of life-sciences-related technology patents varies from jurisdiction to jurisdiction.

### Product Liability

The potential liability of tech/life sciences companies for products that are later alleged to be harmful or unsafe may be substantial, and any claim, whether or not meritorious, may have a significant impact on a tech/life sciences company's value. Certain of these companies may become involved in lawsuits with respect to their products, or with respect to intellectual property rights or other rights relating to them, which lawsuits may result in an inability to market these products or may otherwise impair the related revenue stream expected to be derived from such products.

### Development Risk

The AyurMaya Fund is expected to invest in early-stage companies, which investments involve greater risk than are customarily associated with investing in established companies with commercialized product lines, as the value of their securities is often significantly attributed to the prospects of their development programs, and clinical setbacks, unanticipated safety risks or lack of efficacy, among other factors, can result in significant value destruction. The AyurMaya Fund may hold investments in public companies during periods when critical data is released by the company. Where possible given the nature of the investment (e.g., if the investment is in a publicly tradeable security), AyurMaya will attempt to manage the exposure to levels consistent with the risk parameters of the Fund. There can, however, be no assurance that this will be successfully accomplished in all instances, or that negative news flow at unanticipated points in time will not negatively impact AyurMaya Fund performance beyond the targeted risk parameters.

### Investments in Public Companies

The AyurMaya Fund may take private companies public. Investments in public companies will subject the Fund to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include movements in the stock markets and trends in the overall economy, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times (including due to the possession by AyurMaya of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include AyurMaya's personnel, regulatory action by U.S. and non-U.S. regulators and increased costs associated with each of the aforementioned risks.



### Non-Controlling Positions

The AyurMaya Fund may take or hold minority stakes in privately-held or public companies from time to time. Such minority holdings will have neither the control characteristics of majority stakes nor the valuation premiums oftentimes accorded to majority or controlling stakes, and such companies may be controlled by persons who have economic or business interests or goals that are inconsistent with those of the AyurMaya Fund or that may be in a position to take action contrary to the AyurMaya Fund's business interests. Where the AyurMaya Fund holds a non-controlling interest in a portfolio company, it may have a limited ability to limit or otherwise protect its position in such company.

### Defined Benefit Plan Risks

Under ERISA and the Code, all members of a group of commonly controlled trades or businesses are jointly and severally liable for certain of each other's obligations to any defined benefit pension plans maintained by an entity in the controlled group or to which such entity is obligated to contribute. These obligations may include the obligation to make required pension contributions; the obligation to fund any deficit amount upon pension plan termination; and the obligation to pay withdrawal liability owed to a multi-employer plan to which such entity makes contributions. Accordingly, if the Fund is in the same controlled group with such entity, the AyurMaya Fund and the various entities in which the AyurMaya Fund is in the same controlled group could be held liable for certain of the defined benefit pension obligations of one or more of such investments.

### Control Positions

In certain other situations, the AyurMaya Fund may exercise control over a company. The exercise of control over a company can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations, including securities laws, or other types of liability in which the limited liability characteristics of business ownership may be ignored. If these liabilities were to arise, the AyurMaya Fund may suffer a significant loss.

### Directorships; Director Liability

Members or employees of the General Partner, AyurMaya and/or their affiliates or designees may serve as directors of, or in a similar capacity with respect to, companies in which the AyurMaya Fund invests. In the event that material non-public information is obtained with respect to such companies or the AyurMaya Fund becomes subject to trading restrictions pursuant to the internal trading policies of such companies or as a result of applicable law or regulations, the AyurMaya Fund may be prohibited for a period of time from purchasing or selling securities of or relating to such companies, which prohibition may have an adverse effect on the AyurMaya Fund. If a representative of the General Partner or AyurMaya or any of its respective affiliates serves on the board of directors of a public company, certain conflicts of interest may arise (see Section VII "Potential Conflicts of Interests"). In addition, serving on the board of directors (or similar governing body) of a portfolio company exposes the AyurMaya Fund's representatives, and ultimately the AyurMaya Fund, to potential liability. Not all of the AyurMaya Fund's portfolio companies may obtain insurance with respect to such liability, and the insurance that the AyurMaya Fund's portfolio companies do obtain may be insufficient to adequately protect officers

and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the AyurMaya Fund's investment activities.

### Significant Positions in Securities; Regulatory Requirements

In the event the AyurMaya Fund acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the AyurMaya Fund may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the AyurMaya Fund and AyurMaya. Any such requirements may impose additional costs on the AyurMaya Fund and may delay the acquisition or disposition of the securities or the AyurMaya Fund's ability to respond in a timely manner to changes in the markets with respect to such securities. In addition, if the AyurMaya Fund, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the Exchange Act, the AyurMaya Fund may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the AyurMaya Fund will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

### Small and Medium Capitalization Companies

The AyurMaya Fund may invest in the securities of U.S. and non-U.S. small and medium capitalization companies. Investing in lesser known, small and medium capitalization companies may involve greater risk than is customarily associated with investing in larger, more established companies. There is typically less publicly available information concerning small and medium sized companies than for larger, more established companies. Some small and medium capitalization companies have limited product lines, distribution channels and financial and managerial resources and tend to concentrate on fewer geographical markets than do larger companies. Also, because smaller and medium capitalization companies normally have fewer shares outstanding than larger companies and trade less frequently, it may be more difficult for the AyurMaya Fund to buy and sell significant amounts of shares without an unfavorable impact on prevailing market prices.

### Large-Capitalization Companies

The AyurMaya Fund may invest in the securities of U.S. and non-U.S. large capitalization companies. Large-capitalization companies generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies.

### PIPE Transactions

Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a "PIPE" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather

business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in the AyurMaya Fund acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. The AyurMaya Fund's ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if the AyurMaya Fund is able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, the Fund may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of the Fund's investments.

#### Operating and Financial Risks of Portfolio Companies

The value or performance of the AyurMaya Fund's portfolio companies could deteriorate as a result of, among other factors, adverse business developments, a change in the competitive environment or an economic downturn. As a result, portfolio companies that AyurMaya may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise be in a weak financial condition or experience financial distress from time to time. In some cases, the success of the AyurMaya Fund's investment strategy and approach may depend in part on the ability of AyurMaya to effect improvements in the operations of a portfolio company and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs entails a high degree of uncertainty. There can be no assurance that the AyurMaya Fund will be able to successfully identify or implement such improvements or programs.

#### Portfolio Company Management

The AyurMaya Fund will seek to monitor the performance of each investment through participation on boards of directors and/or by maintaining an ongoing dialogue with each portfolio company's management team. However, generally, each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although AyurMaya will be responsible for monitoring the performance of each investment and intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor management team, will be able to operate the portfolio company in accordance with the AyurMaya Fund's plans or expectations.

#### Investment and Due Diligence Process

Before making investments, AyurMaya will conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When

conducting due diligence, AyurMaya may be required to evaluate important and complex business, financial, tax, accounting and legal issues. In doing so, AyurMaya will rely on the resources reasonably available to it, which, in some circumstances, whether or not known to AyurMaya at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment. In some cases, investment analyses or decisions may be undertaken or made on an expedited basis in order for the Fund to take advantage of a compelling investment opportunity. In such a case, AyurMaya may not have access to the detailed information necessary for a full evaluation of the investment opportunity.

In addition, AyurMaya may rely upon independent consultants in connection with its evaluation of certain proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

In conducting its investment analyses or making decisions, AyurMaya may rely upon projections developed by AyurMaya or a portfolio company concerning a portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of AyurMaya and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow.

Any fraud or other deceptive practices committed by management of portfolio companies in which the Fund may invest can be expected to undermine the ability of AyurMaya to conduct effective due diligence on, or successfully exit, such companies. In addition, financial fraud may contribute to overall market volatility, which could negatively impact the AyurMaya Fund.

#### Competition; Availability of Investments

The market for attractive investment opportunities in the AyurMaya Fund's target sector is highly competitive. There can be no assurance that AyurMaya will be able to identify or to pursue attractive investment opportunities successfully in such environments. The AyurMaya Fund will be competing for investments with other investment funds, as well as individuals, companies, financial institutions and other investors. The number of competing investors may reduce the number of suitable investment opportunities available to the AyurMaya Fund and adversely affect the terms upon which investments can be made.

#### Illiquid Securities

Certain securities held by the AyurMaya Fund are expected to be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain, and the AyurMaya Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher selling expenses than does the sale of publicly-traded securities. Even if such securities are publicly-traded, the AyurMaya Fund may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the AyurMaya Fund may be required

to hold such securities despite adverse price movements. Markets which AyurMaya expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

### Restricted Securities

The AyurMaya Fund is expected to hold investments in restricted securities from time to time. Restricted securities cannot be sold to the public without registration under the Securities Act or other similar securities laws. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the AyurMaya Fund. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

### Preferred Stock

The AyurMaya Fund may hold preferred stock investments from time to time. Investments in such securities involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

### Convertible Securities

The AyurMaya Fund may hold convertible securities from time to time. Convertible securities are stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell

at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the AyurMaya Fund is subject to redemption, the AyurMaya Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the AyurMaya Fund's ability to achieve its investment objective.

#### Issuer and Non-Issuer Transactions

The AyurMaya Fund may acquire investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, the AyurMaya Fund will purchase securities from existing shareholders of a company (either directly or by means of a secondary market). In many cases, the price that the AyurMaya Fund must pay to acquire securities in a non-issuer transaction will exceed the price that the AyurMaya Fund would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that the AyurMaya Fund will accede to the same rights (*e.g.*, information rights, voting rights, rights of first refusal and co-sale) as the selling shareholder.

#### Investments With Third Parties

The AyurMaya Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In addition, the AyurMaya Fund may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

#### Non-U.S. Investments

Subject to any applicable restrictions under the partnership agreement, the AyurMaya Fund may invest in securities issued by non-U.S. issuers, denominated in non-U.S. currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the AyurMaya Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) inflation matters, including rapid fluctuations in inflation rates; (iii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative liquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure

requirements and less government supervision and regulation; (iv) economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of withholding or other taxes on income and gains recognized, or gross sale or disposition proceeds received, with respect to such securities.

#### Difficulty in Valuing Portfolio Investments

Generally, there will be no readily available market for a substantial number of the AyurMaya Fund's investments and hence, most of the AyurMaya Fund's investments will be difficult to value. Despite AyurMaya's efforts to acquire sufficient information to monitor certain of the AyurMaya Fund's investments and make well-informed valuation and pricing determinations, AyurMaya may only be able to obtain limited information at certain times. It is possible that AyurMaya may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the AyurMaya Fund's investments, and therefore may have to make valuation determinations without the benefit of an adequate amount of relevant information. Potential investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by AyurMaya may not represent the fair market value of the securities acquired by the AyurMaya Fund.

#### Hedging Strategies

AyurMaya is not required to attempt to hedge portfolio securities held by the AyurMaya Fund and, for various reasons, may determine not to do so. Furthermore, AyurMaya may not anticipate a particular risk so as to hedge against it. AyurMaya may utilize financial instruments for risk management purposes in order to, among other things, protect against fluctuations in the securities market and/or hedge the interest rate or currency exchange rate on any of the AyurMaya Fund's liabilities or assets.

#### Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment in a portfolio company, the AyurMaya Fund may be required to make certain representations about the business and affairs of the subject portfolio company typical of those made in connection with the sale of any business. The AyurMaya Fund may also be responsible for the content of disclosure documents under applicable securities laws and may be required to indemnify the purchaser of such investments to the extent that such representations or disclosures are inaccurate. These arrangements may result in the incurrence of contingent liabilities, which might ultimately have to be funded by the investors to the extent of their subscriptions to the AyurMaya Fund or previous distributions made to them. It is also possible that other claims could be made against the AyurMaya Fund in connection with its investments and business operations. To the extent that the AyurMaya Fund does not have sufficient uncalled capital or other available resources to satisfy such liabilities, the investors may be required to return amounts previously distributed by the AyurMaya Fund to satisfy such liabilities, subject to limitations set forth in the partnership agreement.

### Third-Party Litigation

Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. The AyurMaya Fund may be engaged in litigation both as a plaintiff and as a defendant. The AyurMaya Fund's investment activities will subject it to relatively increased third-party litigation risk in those instances in which the Fund exercises control or significant influence over a portfolio company. Such litigation can arise as a result of portfolio company defaults, portfolio company bankruptcies or for other reasons. In certain cases, portfolio companies or their constituents may bring claims and/or counterclaims against the AyurMaya Fund, AyurMaya and/or their affiliates alleging violations of securities laws and corporate, contractual and other typical claims and counterclaims seeking significant damages. To the extent that (i) the AyurMaya Fund has not been able to protect itself through insurance, indemnification or other rights against the portfolio companies, (ii) the AyurMaya Fund is not entitled to such protections, or (iii) the portfolio company is not solvent, the expense of defending against claims made against the AyurMaya Fund by third parties and paying any amounts pursuant to settlements or judgments would be borne by the AyurMaya Fund and reduce net assets. In connection with such actions, the AyurMaya Fund would be obligated to bear defense, settlement and other costs, and AyurMaya and others would generally be entitled to indemnification by the AyurMaya Fund, subject to certain conditions.

### Reserves

AyurMaya may establish reserves for follow-on investments by the AyurMaya Fund in portfolio companies, operating expenses (including management fees), AyurMaya Fund liabilities, and other matters. Estimating the appropriate amount of 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 returns to investors in the AyurMaya Fund. If reserves are inadequate, the AyurMaya Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions.

### Limitations on Ability to Exit Investments

AyurMaya expects the AyurMaya Fund to exit from its private investments in two principal ways: (i) private sales and (ii) initial and/or secondary public offerings. At any particular time, one or both of these avenues may not be open to the Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability of the Fund to exit from and liquidate portfolio holdings may be constrained at any particular time and investments may not be advantageously disposed of prior to the date that the AyurMaya Fund will be dissolved, either by expiration of the AyurMaya Fund's term or otherwise. Although AyurMaya expects that investments will generally be disposed of prior to dissolution of the AyurMaya Fund or suitable for an in-kind distribution at dissolution, and AyurMaya has a limited ability to extend the term of the AyurMaya Fund, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the dissolution of the AyurMaya Fund. In addition, there can be no assurances with respect to the time frame in which any winding-up and liquidation of the AyurMaya Fund will be completed.



### Distributions of Assets Other Than Cash

AyurMaya may cause the AyurMaya Fund to distribute certain of its investments in securities or other non-cash property. An investor that receives assets other than cash from the AyurMaya Fund may incur substantial costs and delays in converting those assets to cash as distributed assets may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of marketable securities, trading volume may be insufficient to support sales by the investors without such sales triggering a price decline which makes it difficult or impossible for all investors to sell such securities at the distribution price. Nevertheless, the distribution price of such securities will be established under the provisions of the partnership agreement and will not be adjusted to reflect actual sale prices obtained by investors. Further, distributions in-kind on dissolution of the AyurMaya Fund may result in the receipt by investors of highly illiquid unregistered securities.

### General Economic and Market Conditions

The success of the AyurMaya Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the AyurMaya Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the AyurMaya Fund's investments. Volatility or unexpected illiquidity could impair the AyurMaya Fund's profitability or result in losses.

### Systemic Risk

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearinghouses, banks, securities firms and exchanges with which the AyurMaya Fund interacts, as well as the AyurMaya Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the AyurMaya Fund and on the markets for the securities in which the AyurMaya Fund seeks to invest.

### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to an investor's or prospective investor's evaluation of the Firm's advisory business or the integrity of the Firm's management.

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

Neither Matrix, AyurMaya nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing entities.

Matrix, AyurMaya and the General Partners provide discretionary investment management services to the Funds, as further described in Item 4. The Firm does not recommend or select other

investment advisers for its Clients nor does it have any other relationships or arrangements with related persons that are material to its advisory business or to its Clients.

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

### Code of Ethics

The Firm is committed to fostering a culture of compliance. The Firm has adopted a Code of Ethics (“the Code”), consistent with the requirements of Rule 204A-1, which, among other things:

- sets forth the standards of professional conduct for all of our employees;
- governs the treatment and forbids the misuse of material nonpublic information by our employees;
- governs our employees’ personal securities transactions and holdings; and
- requires all supervised persons to report violations of the Code to our Chief Compliance Officer (the “CCO”).

The Firm actively encourages its employees to contact the CCO for compliance and regulatory matters. Employees receive Code of Ethics training and are required, both initially upon the commencement of their employment and on annual basis thereafter, to acknowledge and certify that they have reviewed, understand and will comply with the policies and procedures as set forth in the Code of Ethics.

The Code places restrictions on personal securities trades by employees. Employees are only permitted to invest in mutual funds, exchange traded funds, government issued securities, certain fixed income instruments, and limited offerings. No individual equity securities or corporate bonds of publicly-traded companies may be purchased by the employees in their personal accounts. The Code also requires that employees disclose their personal securities holdings and transactions to the Firm on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions, including but not limited to, the securities of privately-offered companies.

Matrix, AyurMaya, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for Clients. These activities have the potential to adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients. Potential conflicts also may arise due to the fact that the Firm and its personnel have investments in some Funds but not in others or may have different levels of investments in the various Funds.

The Firm has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those

conflicts arising as a result of personal trades in the same or similar securities made at or about the same time as Client trades.

Investors and prospective investors may request a copy of the Code upon written request to [compliance@matrixlp.com](mailto:compliance@matrixlp.com).

#### Participation or Interest in Client Transactions

The restrictions of the Code do not prohibit employees from investing in or having exposure to public and private investments that Matrix or AyurMaya has recommended to the Funds, subject to the preclearance requirements of the Code. Employees may and have invested in securities alongside the Funds subject to the preclearance requirements of the Code. In these circumstances, the employees may benefit from their knowledge of the evaluation, investigation, and due diligence undertaken by Matrix or AyurMaya on behalf of the Funds. Furthermore, employees will not share or reimburse the relevant Funds for any expenses incurred in connection with the investment opportunity. In addition, the Funds from time to time invest in securities of companies that employees acquired for their own account prior to joining Matrix and/or AyurMaya. While the interests of employees generally align with those of the Funds, such persons may have differing interests with respect to those investments creating potential conflicts of interest. Such conflicts include, but are not limited to, the possibility of employees attempting to trade ahead of the Funds for their personal advantage or otherwise direct Fund investments for personal gain. The Chief Compliance Officer reviews and must pre-approve all transactions in which a Firm employee participates in or holds securities to be purchased by the Funds to evaluate any issues resulting from the employee's proposed or actual ownership.

The restrictions of the Code do not preclude purchases of interests in the Funds by employees of the Firm. Certain employees are investors in the Funds and some key personnel of the Firm have substantial interests in the Funds. Substantial ownership of a Fund by employees of the Firm can incentivize employees to allocate investment opportunities to such Fund in priority over other Funds.

#### Conflicts of Interest

##### *Principal Transactions*

From time to time, the Firm may determine that it is in the best interests of certain Clients to transfer a security from one Client to another for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Clients, or to reduce transaction costs that may arise in an open market transaction. Section 206 under the Investment Advisers Act of 1940 (the "Advisers Act"), regulates principal transactions among an investment adviser, on the one hand, and the Clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a Client ("Principal Transaction"), the Firm must make certain disclosures to the Client of the terms of the proposed transaction and obtain the Client's consent to the transaction.

Generally, due to employee and related person ownership in the Funds, any transaction between two Funds may be deemed a Principal Transaction. The Firm has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal

transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Allocation of Investment Opportunities*

The Master Fund and the AyurMaya Fund are expected to, at times, invest in the same securities. The Firm has adopted an Investment Allocation Policy to allocate investment opportunities among all Funds fairly, to the extent practical and in accordance with each Fund's applicable investment strategies, over a period of time. In order to manage the conflict of interest, the Firm established an Investment Committee to review each private life sciences investment opportunity.

When deciding whether an investment opportunity is suitable for a particular Fund and how the investment opportunity will be allocated, the Investment Committee will consider various factors, including, without limitation:

- i. The amount of capital available for investment;
- ii. The investment strategy, including any sector concentrations and portfolio diversification;
- iii. The investment objectives, guidelines or restrictions of the Fund;
- iv. The Fund's liquidity, liquidity profile and reserves (including, but not limited to available capital, the timing of capital inflows and outflow and anticipated capital commitments and subscriptions)
- v. The current composition of the Fund;
- vi. The need to ramp-up or rebalance a portfolio;
- vii. The suitability as a follow-on investment for the Fund;
- viii. The characteristics of the security involved, including the liquidity of the security and the markets in which the security may trade in the future;
- ix. The availability of other suitable investments for the Fund;
- x. Investment target size and target returns for the Fund;
- xi. Any risk management considerations;
- xii. Any legal, contractual or regulatory constraints;
- xiii. The need to avoid a *de minimis* allocation to one or more Funds;
- xiv. The need for cash to satisfy redemption requests or other obligations;
- xv. Any tax considerations;

- xvi. The need to bring the Fund into compliance with its investment guidelines; and/or
- xvii. Any other considerations deemed relevant by the Firm and its affiliates.

The Firm will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any Fund solely because the Firm purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any Fund if, in our reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the Client. The Firm will never allocate trades based on an account's performance or fee structure. The Funds will generally not have rights or priority with respect to any particular investment opportunity pursued by Matrix, AyurMaya and/or any other Client. The Funds may from time to time hold investments at different levels of an issuer's capital structure, or make investments or engage in investment and other activities that express inconsistent views with respect to similar or overlapping investments, which could have the effect of lowering returns on an investment of a Fund relative to what might have been achieved absent such activities or decisions.

#### *Personal Investments*

Personal investment by investment professionals and other personnel of the Firm could present potential conflicts of interest for the Firm and its personnel. The officers and employees of the Firm have, and expect in the future to, buy and sell securities or other investments for their own accounts. As a result of differing investment strategies or constraints, or for other reasons, the Firm expects that positions can be taken by Firm personnel that are the same as, different from or made at different times than positions taken for the Funds. For the same reasons, officers and employees of the Firm or its personnel have invested, and expect in the future to invest, in public or private companies, private equity funds, venture capital funds, hedge funds, mutual funds and other investments and certain Firm personnel in fact do have existing investments in Firm products. The potential exists for personal securities transactions by Firm personnel, including those which have been pre-cleared or approved in advance, to generate significantly higher investment returns to such personnel than any of the Funds' investment transactions generate. Moreover, the Firm expects at times to determine that a company identified as a potential investment opportunity for the Funds is not suitable or appropriate for the Funds. The potential exists for Firm personnel, other co-investors or competitors of the Firm to invest in such company and realize significantly higher investment returns than any of the Funds' investment transactions generate for its own investors.

#### *Co-Investments*

The Firm has and may in the future, in its sole discretion, provide certain third parties and/or Fund investors with co-investment opportunities related to investments to be made by the Funds. The Firm and its affiliates are not obligated to arrange co-investment opportunities, and no Fund investor or third party will be obligated to participate in such an opportunity. The Firm and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular co-investor (including Fund investors) and may allocate co-investment opportunities instead to investors in Funds that are not participating in the co-investment or to third parties. If the Firm determines that an investment opportunity is too large for a Fund (or all Funds

collectively), the Firm and its affiliates have the ability to, but will not be obligated to, also make proprietary investments therein. The Firm or its affiliates may receive fees and/or allocations from co-investors, which will be specified in applicable governing documents, and may differ as among co-investors, as well as from the fees and/or allocations borne by the Funds.

### *Tax Considerations*

The Firm monitors the tax characteristics of the Funds' investment activities and portfolio on an on-going basis. Occasionally, the timing and terms of investment and trading decisions are influenced by the expected tax results of those decisions for the Funds and their investors as a whole. There can be no guarantee that the decisions will result in the expected tax results, or that all investors would necessarily benefit from the decisions in light of their individual tax situations. In seeking to conduct their investment activities in a tax efficient manner, the Funds could be exposed to risks that would not have occurred in the absence of tax considerations, such as changes in market prices and liquidity. Investors that are exempt in whole or in part from taxation may not benefit from decisions that take into account tax considerations but may still bear any risks of such considerations.

### *Investments in Different Layers of the Capital Structure and Related Conflicts*

The Firm expects to cause different Funds to invest in different parts of the capital structure of an issuer, which could give rise to potential conflicts of interest. In such situations, the Firm could be required to take actions for one Fund that are adverse to the interests of other Funds, or vice versa (for instance, if the applicable portfolio company underwent a reorganization or other major corporate event, conflicts could arise between the interests of debt holders and equity holders, and, accordingly, between the interests of the investing Funds). Likewise, the Firm expects to cause the certain Funds to invest in different instruments or series of equity of an issuer, giving rise to conflicts concerning their respective entitlements or priority in a bankruptcy proceeding or other transaction.

If the Funds own securities and instruments of the same issuer in different levels of seniority, action taken for the benefit of some of the Funds may favor one Fund at the expense of another. The Firm will endeavor to manage any such potential conflict(s) in a manner that is fair to the Funds, by, among other things, making investment decisions for each investing Fund on independent grounds based on the economics and investment objectives of such investing Fund.

### *Other Benefits*

From time to time, the Firm and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

## **Item 12 – Brokerage Practices**

As noted previously, the Firm has full discretionary authority to manage the Master Fund, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The Firm's authority is limited by its own internal policies and procedures and the Funds' investment guidelines.

Portfolio transactions for each Client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers are expected to provide other services that are beneficial to the Firm and/or certain Clients, but not beneficial to all Clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Firm may consider, among other things, the following:

- price;
- the ability of the brokers and dealers to effect the transactions;
- the ability of the brokers and dealers to provide the Firm with access to public company contacts through conferences, meetings and similar events;
- the brokers' and dealers' facilities;
- reliability and financial responsibility and in consideration of such brokers' and dealers' provision or payment (or the rebate to a Fund for payment) of the cost of brokerage and research services that are of benefit to the Clients; and
- the provision by the broker of certain services such as capital introduction, talent introduction, marketing assistance, and consulting with respect to technology, operations and equipment.

Accordingly, the commission rates (or dealer markups and markdowns) charged to a Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. The Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Firm nor the Funds separately compensate any broker or dealer for any of these other services.

If the Firm decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another:

- the ease of use;
- the flexibility of the ECN compared to other ECNs; and
- the level of care and attention that will be given to smaller orders.

The Firm maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

The Firm does not have any formal soft-dollar arrangements with any broker or dealer but does receive research from brokers or dealers with which it trades.

None of Matrix, AyurMaya, or any related person receives investor referrals from any broker-dealer. From time to time, the Firm receives certain economic benefits from broker-dealers and prime brokers with which we conduct business with that might not be received otherwise. The services may include proprietary research as well as participation in sponsored research and capital introduction services. While these services are generally provided at no additional cost, we may have an incentive to select certain broker-dealers due to receipt of such services rather than for the purpose of achieving best execution. In the last fiscal year, there were no directed Client transactions to a particular broker-dealer in return for investor referrals.

The Firm does not recommend, request or require that an investor direct the Firm to execute transactions through a specified broker-dealer.

### Order Aggregation

All investing and trading activity is currently conducted through the Master Fund and AyurMaya Fund.

### Trade Errors

Errors with respect to trades made on behalf of the Funds (each such error, a “Trade Error”) may occur. Trade Errors include: (i) the placement of orders (either purchases or sales) in excess of, or less than, the amount of securities the account intended to trade; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; and (v) the purchase or sale of a security contrary to regulatory restrictions of a Fund’s investment guidelines or restrictions; and (vi) incorrect allocations of securities. Trades implemented as a result of faulty data, systems, coding, modeling or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, are not considered Trade Errors. The loss of an investment opportunity is not considered a Trade Error. Such errors may result in losses or gains. The Firm will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, the Firm will use reasonable efforts to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Funds to the Firm and its affiliates and personnel, the Firm and its affiliates and personnel will generally not be liable to the Funds for any act or omission, absent gross negligence, intentional misconduct of such person and the Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund, absent gross negligence or intentional misconduct or reckless disregard of such person, as discussed more fully in the Matrix Governing Documents and the AyurMaya Governing Documents. As a result of these provisions, the Funds (and not the Firm) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent gross negligence or intentional misconduct of the relevant person. The Firm will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. The Firm will reimburse the relevant Funds for losses for which the Firm is responsible under the



exculpation provisions in the Governing Documents. Given the potentially large volume of transactions executed by the Firm on behalf of the Funds, investors should assume that Trade Errors and other errors will occur and that, to the extent permitted by applicable law and under the Matrix Governing Documents and the AyurMaya Governing Documents (as applicable), the relevant Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Firm's personnel.

### **Item 13 – Review of Accounts**

#### **A. Matrix Capital Management Company, LP**

The portfolio manager performs reviews of Fund accounts on a daily basis and the finance team conducts a formal review of Fund accounts monthly. Matrix engages a third-party administrator to maintain the official books and records for the Funds. Each investor in a Fund will also receive unaudited performance reports of such Fund on a monthly basis.

On an annual basis, each investor in a Fund will receive audited fiscal year-end financial statements of the applicable Fund prepared and audited in conformity with accounting principles generally accepted in the United States ("GAAP") within 120 days of the applicable Fund's fiscal year end. Additionally, and periodically through each year, Matrix engages independent valuation consultants to assist with the valuation of illiquid assets.

#### **B. AyurMaya Capital Management Company, LP**

The Investment Committee performs reviews of Fund accounts on an as needed basis when investment activity occurs and the finance team conducts a formal review of Fund accounts quarterly. AyurMaya engages a third-party administrator to maintain the official books and records for the Funds. Each investor in a Fund will also receive unaudited performance reports of such Fund on a quarterly basis.

On an annual basis, each investor in a Fund will receive audited fiscal year-end financial statements of the applicable Fund prepared and audited in conformity with accounting principles generally accepted in the United States ("GAAP") within 120 days of the applicable Fund's fiscal year end. Additionally, and periodically through each year, AyurMaya engages independent valuation consultants to assist with the valuation of illiquid assets.

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

Matrix and AyurMaya do not receive economic benefits from non-Clients for providing investment advice and other advisory services.

The Firm may enter into (and has entered into) arrangements that provide for the compensation of third party placement agents for their services (typically calculated as a percentage of the management fee attributable to the placed investor(s)) at the Firm's expense, and the Funds will not bear the cost of compensating the third party placement agent. The Firm is not paid a sales charge in connection with the sale of interest or sales in a Fund. In the event that a placement agent introduces potential investors to the Funds, a written disclosure document will be provided to referred investors describing, among other things, the compensation arrangement between the Firm

and the placement agent and all material conflicts of interest. In such instances, referred investors should ensure that they receive and read the disclosure document from the placement agent.

### **Item 15 – Custody**

The Firm is deemed to have custody of Client funds and securities because it has the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Funds and securities owned by the Funds over which the Firm has custody are held by qualified custodians, subject to limited exceptions for certain private securities. The Firm has also developed procedures designed to safeguard and protect Client assets. Such procedures include, among other things, the separation of certain administrative functions and dual signatory approvals for distributions of Fund capital. Account statements related to the Clients are sent by qualified custodians to the Firm.

The Firm is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and requires that each Fund distributes its audited financial statements to all investors within 120 days of the end of each Fund's fiscal year.

### **Item 16 – Investment Discretion**

Matrix serves as the management company with discretionary trading authority to the Master Fund. AyurMaya serves as manager with discretionary investment authority for the AyurMaya Fund. Matrix and AyurMaya entered into investment management agreements, or similar agreement, with each Fund for which it provides investment management services, pursuant to which Matrix and AyurMaya, as applicable were granted discretionary trading authority. Generally, Fund investors may not impose any limits on the Firm's discretionary authority.

Investment decisions and advice with respect to the Funds are subject to each Fund's investment objectives and guidelines, as set forth in the Funds' Governing Documents.

### **Item 17 – Voting Client Securities**

In compliance with Advisers Act Rule 206(4)-6, the Firm has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that will serve the applicable Client's best interests and is in line with each Client's investment objectives.

If the Firm detects a conflict of interest in connection with a proxy solicitation, it will implement mitigating controls to properly address the identified conflict of interest. The Firm will not neglect its proxy voting responsibilities, but it may abstain from voting if it deems that abstinence is in its Clients' best interests. For example, it may be unable to vote securities that have been lent by a custodian. The Firm's employees have been instructed to prepare and maintain memoranda describing the rationale for any instance in which the Firm does not vote a Client's proxy.

The Funds and investors may obtain a copy of the Firm's proxy voting policy and voting records upon written request to [compliance@matrixlp.com](mailto:compliance@matrixlp.com).

#### **Item 18 – Financial Information**

The Firm does not require or solicit prepayment of any fees six months or more in advance, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.