

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**Whale Rock Capital Management LLC**

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**March 29, 2019**

**This brochure (the “Brochure”) provides information about the qualifications and business practices of Whale Rock Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (617) 502-9909 or via [james@whalerockcapital.com](mailto:james@whalerockcapital.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.**

**Whale Rock Capital Management LLC is a registered investment adviser. Registration as an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

The following changes in Whale Rock Capital Management LLC’s Form ADV Part 2A were made since the last annual update on March 29, 2018:

- Items 4 and 8 – Whale Rock Capital updated the description of its Strategy to reflect expressly the global nature of its investment universe and its ability to invest in private securities.
- Item 8 – Whale Rock Capital added disclosures addressing risks associated with Private Investments, Difficulty of Locating Suitable Investments, Competition and Suspension of Trading.

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## **Item 4 – Advisory Business**

### **Description of the Advisory Firm**

Whale Rock Capital Management LLC (“Whale Rock Capital,” the “Firm” or “We”) is a Delaware limited liability company formed in March of 2006 primarily for the purpose of sponsoring and managing pooled investment vehicles. Alexander Sacerdote is the founder, principal owner, and managing member of Whale Rock Capital and is currently the Chief Executive Officer.

The pooled vehicles we sponsor and manage are (i) Whale Rock Flagship Fund LP and Whale Rock Flagship Fund Ltd., which are feeder funds into Whale Rock Flagship Master Fund, LP, and (ii) Whale Rock Flagship (AI) Fund LP (each, a “Fund”, and collectively, the “Funds” or the “Flagship Funds”).

Whale Rock Flagship Fund LP was organized as a Delaware limited partnership in April 2006 (the “U.S. Fund”). The U.S. Fund commenced investment operations in May 2006. Whale Rock Flagship Fund Ltd. is a Cayman Islands exempted company (the “Offshore Fund”). The Offshore Fund commenced investment operations in July 2006. Whale Rock Flagship Master Fund, LP (the “Master Fund”) is a Cayman Islands limited partnership that commenced operations in January 2014. Whale Rock Flagship (AI) Fund LP was organized as a Delaware limited partnership in April 2006 and commenced investment operations in June 2006 (the “AI Fund”). Whale Rock Capital Partners LLC is the General Partner of the U.S. Fund and the AI Fund and is a relying advisor (the “General Partner”).

The Funds offer interests (“Interests”) to certain qualified investors, as described in response to Item 7, below; such shareholders and limited partners are referred to herein as “Investors”.

### **Description of Advisory Services**

#### **Strategy**

We serve as the investment manager to the Flagship Funds pursuant to separate investment management agreements between each Fund and Whale Rock Capital. The investment objective of the Flagship Funds is to provide consistently superior, risk adjusted returns. The strategy will seek to achieve this objective primarily by investing both long and short in equity securities and related instruments of publicly traded issuers, with a focus on issuers in the global technology, media and telecommunication (“TMT”) sectors. The Funds also have the flexibility to invest in other types of securities and in other sectors. For example, the Funds have the ability to make investments in unregistered securities, which are often purchased in private placements.

#### **Client Tailored Services and Client Imposed Restrictions**

We do not tailor portfolio management services to the individual needs of Investors in the Funds.

#### **Assets Under Management**

As of December 31, 2018, Whale Rock Capital had regulatory assets under management on a discretionary basis of \$5,738,451,958.

## Item 5 – Fees and Compensation

We generally receive Management Fees and Performance Allocations which we can waive or reduce with respect to certain Investors.

### Management Fee

Whale Rock Capital generally will receive from the Master Fund and the AI Fund, a Management Fee (the “Management Fee”), payable quarterly in advance, in an amount equal to 0.375% (1.5% annualized) of (i) for investors in the AI Fund and the U.S. Fund, the balance in each Investor’s capital account at the beginning of each calendar quarter (before reduction for any Performance Allocation for such year) and (ii) for Investors in the Offshore Fund, the net asset value of its shares (before reduction for any Performance Allocation for such year).

Whale Rock Capital will pro rate the management fee for interests held for less than a full quarter, and Investors will receive a refund of the management fee if they withdraw capital prior to the end of a quarter. Whale Rock Capital may reduce or waive the Management Fees with respect to certain Investors, in its discretion.

### Performance Allocation

**Master Fund** - At the end of each fiscal year, the General Partner of the Master Fund, will receive from the Master Fund, a performance-based allocation (the “Performance Allocation”) equal to 20% of the aggregate net profits indirectly allocated to each Investor in the U.S. Fund and the Offshore Fund. The Master Fund maintains a loss recovery sub-account for each Investor in the U.S. Fund and for each series in the Offshore Fund (adjusted for withdrawals), which will be credited with aggregate net losses, if any, allocated to such Investor or series of shares. We will not receive any Performance Allocation with respect to an Investor or series of shares until such Investor or series of shares has recovered all amounts credited to its loss recovery account (as adjusted for withdrawals of capital). Performance Allocations are generally made annually but may be made earlier upon the earlier withdrawal of capital.

**Whale Rock Flagship (AI) Fund** - At the end of each fiscal year, Whale Rock Capital Partners LLC, the general Partner of the AI Fund, will receive from the AI Fund, a performance-based allocation (the “Performance Allocation”) equal to 20% of the aggregate net profits allocated to each Investor. The AI Fund maintains a loss recovery account for each Investor (adjusted for withdrawals), which will be credited with aggregate net losses, if any, allocated to such Investor. We will not receive any Performance Allocation with respect to an Investor until such Investor has recovered all amounts credited to its loss recovery account (as adjusted for withdrawals of capital). Performance Allocations are generally made annually but may be made earlier upon the earlier withdrawal of capital.

Performance-based compensation may create an incentive for Whale Rock Capital to engage in riskier transactions or investments than would be the case if such arrangements were not in place.

Whale Rock Capital Partners LLC may reduce or waive the Performance Allocation with respect to certain Investors, in its discretion.

We have responsibility, in coordination with the Funds' Administrator, for valuing each Fund's securities. A conflict may arise with respect to this responsibility given the fact that the Management Fee and the Performance Allocation payable to us is based on such valuations.

## **Expenses**

Each Fund bears all costs and expenses related to its investments and its operations, including, without limitation: brokerage and other transaction costs; clearing and settlement charges; interest and commitment fees on debit balances or borrowings; borrowing charges on securities sold short; costs of any liability insurance obtained on behalf of the Fund; custody fees; costs of any litigation or investigation involving Fund activities; indemnification expenses; the Management Fee; consulting expenses; the fees and expenses of professionals providing services to the Fund, including legal, audit, accounting, tax and administration; any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes, regulatory costs, filing and license fees, the costs of reporting and providing information to investors, Directors Fees and any extraordinary expenses. A portion of the Funds' operating expenses may be shared with other investment entities or accounts managed by Whale Rock Capital and our affiliates or with Whale Rock Capital on an equitable basis. The Funds will incur brokerage and other transaction costs. See Item 12 in this Brochure for a description of brokerage related matters.

The Management Fee, Performance Allocation and expenses are deducted from the Funds' assets.

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

Please refer to Item 5 for the description of our performance-based fees.

## **Item 7 - Types of Clients**

We provide investment advice to the Funds previously described. Investors in the Funds include individuals, trusts, foundations, endowments, charitable organizations, pension plans and other unregistered funds.

The minimum investment in the Flagship Funds is \$1,000,000. The minimum investment in the U.S. Fund and the AI Fund may be modified by the General Partner. The minimum investment in the Offshore Fund may be modified by a member of the Board of Directors, however in no case may an initial investment be less than \$50,000 in Whale Rock Flagship Fund Ltd., or such greater amount as prescribed by law.

Each investor in Whale Rock Flagship Fund LP and Whale Rock Flagship (AI) Fund LP and each U.S. investor in Whale Rock Flagship Fund Ltd. must be an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended. Each investor in Whale Rock Flagship Fund LP and each U.S. investor in Whale Rock Flagship Fund Ltd. must be a "qualified purchaser" as defined in Section 2(a) (51) of the U.S. Investment Company Act of 1940, as amended (the "1940 Act").

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

### **Strategy**

We serve as the investment manager to the Flagship Funds pursuant to separate investment management agreements between each Fund and Whale Rock Capital. The investment objective of the Flagship Funds is to provide consistently superior, risk adjusted returns. The strategy will seek to achieve this objective primarily by investing both long and short in equity securities and related instruments of publicly traded issuers, with a focus on issuers in the global TMT sectors. The Funds also have the flexibility to invest in other types of securities and in other sectors. For example, the Funds have the ability to make investments in unregistered securities, which are often purchased in private placements.

Whale Rock Capital utilizes a fundamental, research driven approach and a disciplined investment process. We seek to identify technological, social and economic trends that generate significant product cycles and industry inflection points and then analyze the sub-sectors and/or companies with the most exposure (both positive and negative) to these trends. We seek to analyze the relevant information to understand the longer-term valuation implications before the broader market does. Accordingly, our investment strategy is generally expected to be longer-term in nature. Once significant trends and inflection points are identified, we look for companies whose sales and profits will benefit from these trends and that have at least some of the following characteristics: strong business models and competitive advantages, underappreciated earnings power, reasonable valuations and good management.

On the short side, we look for companies that will be negatively impacted by these trends and also have some of the following characteristics: weak business models, deteriorating competitive positions, unreasonable valuations (although this is rarely sufficient in its own right), over-hyped business opportunities and poor management. Emphasis is put on balance sheet and cash flow analysis, particularly when free cash flow is significantly lower than net income. In addition to investing in companies that benefit from the identified trends, we are often attracted to other investment attributes, such as: turnarounds, management changes, value creating acquisitions, shareholder friendly capital structure actions, such as stock buybacks, and prudent use of leverage.

The Funds' investment strategy includes using leverage in pursuit of additional return. The Funds are generally expected to have a net long bias.

### **Risks of Investment Strategy**

Investing in securities involves risk of loss that the Funds and their Investors should be prepared to bear. Investors should refer to the Funds' offering memoranda and other documents for further discussion of risks.

**Investment and Trading Risks.** An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that a Fund's investment program will be successful. We will be investing substantially all of the Fund's assets in securities, some of which may be particularly sensitive to economic, market, industry and other variable conditions. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Fund.

**Risks Associated with TMT Investing.** Investing in securities and other instruments of companies that focus on TMT sectors involves substantial risks. These risks include: certain companies in each Fund's portfolio may have limited operating histories; rapidly changing technologies and products which may quickly become obsolete; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate training; the possibility of lawsuits related to technological patents; changing investor sentiment and preference with regard to investments in the TMT sectors and the resultant effect on the price of the underlying securities; and volatility in the applicable markets affecting the prices of technology company securities, which may cause the performance of the Funds to experience substantial volatility. Furthermore, these sectors, particularly technology and its many sub-sectors, have historically been subject to significant volatility.

**Use of Leverage.** We may leverage a Fund's portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to the Investors, if a Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to the Investors if a Fund fails to earn as much on such incremental investments as it pays for such funds. In the event that a Fund leverages its portfolio, fluctuations in the market value of the Fund's portfolio will have a significant effect in relation to the Fund's capital and the risk of loss and the possibility of gain will each be increased. In addition, when the Fund utilizes leverage, the level of interest rates generally, and the rates at which the Fund can borrow in particular, will be an expense of the Fund and therefore affect the operating results of the Fund. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of a Fund's portfolio. The Funds may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to a Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call" pursuant to which the Fund would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of a Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

**Short Sales.** "Short sales" are sales of securities a Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and the Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. Whale Rock Capital may engage in short sales as part of hedging transactions or when it believes securities are overvalued. A Fund will incur a loss on a short sale if the price of the security increases prior to the time Whale Rock Capital purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to

the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss. In addition, the ability to continue borrowing the security is not guaranteed. If the short seller loses the ability to continue borrowing the security, a “buy-in” may occur, forcing the short seller to purchase the security at an inopportune moment.

***Smaller Cap Issuers.*** A portion of a Fund’s assets may be invested in issuers with smaller market capitalizations. While, in our opinion, the securities of smaller-cap issuers may offer the potential for greater capital appreciation than investment in securities of larger-cap issuers, securities of smaller-cap issuers also present greater risks. For example, some smaller issuers have limited product lines, markets, or financial resources and may be dependent for management on one or a few key persons. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment analysts, and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of smaller-cap issuers generally are more sensitive to changes in earnings expectations, corporate developments, and market rumors than are the market prices of larger-cap issuers. Transaction costs in securities of smaller-cap issuers may be higher than in those of large-cap issuers.

***Equity Securities of Growth Companies.*** A portion of a Fund’s assets may be invested in equity securities of companies that Whale Rock Capital believes have potential for capital appreciation significantly greater than that of the market averages, so-called “growth” companies. The market capitalization of the growth companies in which a Fund will invest may range from small to large capitalizations. Growth stocks are generally more sensitive to market movements than other types of stocks, primarily because their stock prices are based heavily on future expectations. Securities of growth companies may be traded in the over-the-counter (“OTC”) markets. While OTC markets have grown rapidly in recent years, many OTC securities trade less frequently and in smaller volume than exchange listed securities. The values of these securities may fluctuate more sharply than exchange-listed securities, and a Fund may experience some difficulty in acquiring or disposing of positions in these securities at prevailing market prices.

***Undervalued Equity Securities.*** The Funds’ investment strategy focuses on investing in companies that Whale Rock Capital believes are undervalued, particularly from a longer-term perspective. Opportunities in undervalued equity securities arise from market inefficiencies or due to a lack of wide recognition of the potential impact (positive or negative) that specific events or trends may have on the value of a security. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired, particularly given our desire to identify securities that are undervalued based on longer-term projections. While investments in undervalued securities offer the opportunities for above average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

***Hedging.*** A Fund may utilize certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, Whale Rock Capital’s ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund’s hedging strategies may also be subject to our ability to correctly readjust and execute

hedges in an efficient and timely manner. There is also a risk that such correlation will change over time rendering the hedge ineffective. It may be more difficult to hedge a position in a smaller cap issuer than a larger-cap issuer. Whale Rock Capital may seek to hedge its exposure to any foreign currency, although it may choose not to do so in its discretion. A Fund's portfolio is not expected to be adequately hedged at all times and at various times Whale Rock Capital may elect to be more fully hedged and at other times hedged only to a limited extent, if at all. Accordingly, a Fund's assets may not be adequately protected from market volatility and other conditions.

***Illiquid Securities; Designated Investments.*** A portion of a Fund's assets may be invested in illiquid or private securities. Such securities may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such securities are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. In addition, certain illiquid and restricted investments may be segregated as Designated Investments, and may represent capital not available for withdrawal by Investors. Such investments may be difficult to value.

***Limited Diversification; Focus in Technology, Media and Telecommunication.*** It is anticipated that the Funds will focus on investing in companies in the TMT sectors. Accordingly, such concentration could have a material adverse effect on the Funds including if any of the industries in which the Funds primarily invest experiences adverse news. Although the Funds have certain self-imposed guidelines on diversification, there are no specific limits on Whale Rock Capital's investment discretion. This limited diversity could expose the Funds to significantly greater volatility than in a more diversified portfolio. Furthermore, these sectors, particularly technology and its many sub-sectors, have historically been subject to significant volatility.

***Arbitrage Transactions.*** Whale Rock Capital may seek to purchase and simultaneously short two paired securities from the same industry or sector or in inversely related industries or sectors. These opportunities may arise due to, among other factors, our expectation of performance variances between two companies or by initial news or market shocks that we believe will be corrected in the short-to-intermediate term. However, there are no assurances that such arbitrage transaction will perform in the manner we expected.

***Counterparty Risk.*** Some of the markets in which a Fund may affect transactions are "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. This exposes a 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 a Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. A Fund is not restricted from concentrating any or all of its transactions with one counterparty. The ability of a Fund to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

***Purchasing Securities of Initial Public Offering.*** From time to time a Fund may purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Fund to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. A Fund may invest in securities that are “new issues,” as defined by FINRA Rule 5130(I)(9). The FINRA Rules restricts certain persons from participating in “new issues.” FINRA Rule 5130 also contains a de minimis exemption to permit the allocation of profits and losses from new issues to such restricted persons to accommodate accounts with only a small percentage of restricted persons. The Funds currently intend to rely on such exemption.

***Risks of Investments in Options.*** Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that a Fund may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

***Derivative Investments.*** Derivative instruments or “derivatives” include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose the Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

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 contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Whale Rock Capital from promptly liquidating unfavorable positions and subject a Fund to substantial losses.

The General Partner and the Firm have claimed an exemption from registration with the Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator with respect to the Funds, pursuant to Rule 4.13(a)(3) of the Commodity Exchange Act of 1936, as amended (the "CEA"), because (1) either the aggregate initial margins and premiums required to establish commodity interest positions for the Fund do not exceed 5% of the liquidation value of the Fund's portfolio or the aggregate net notional value of the Fund's commodity interest positions do not exceed 100% of the liquidation value of the Fund's portfolio and (2) participation in the Fund is limited to certain classes of investors recognized under the federal securities and commodities laws. Unlike a registered commodity pool operator, the General Partner and the Firm are not required to deliver a disclosure document and a certified report to participants in the Funds.

**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. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or contracting counterparty to fulfill its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the Fund has forward contracts. Although Whale Rock Capital seeks to trade with responsible counterparties, failure by a counterparty to fulfill its contractual obligation could expose a Fund to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities 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 on contracts 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 any currency market traded by a Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Whale Rock Capital would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in significant losses to a Fund.

**Foreign Securities.** A Fund may invest directly in securities of non-U.S. issuers. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of a Fund's assets denominated in that currency and thereby impact upon a Fund's total return on such assets. Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation,

limitations on the use or transfer of Fund assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher on foreign markets than in the U.S.

***Private Investments.*** The Funds may make later-stage and early-stage private investments. Investments in the private equity of companies at an early stage of development involves a high degree of business and financial risk. Early-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. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Investments by a fund in start-up or other early-stage companies may depend significantly on an entrepreneur or management team that the Whale Rock Capital may have selected. Such companies face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses. There can be no assurance that such companies will ever be profitable or even have assets or products that generate meaningful revenue.

Investments in companies in a later-stage of development also involve substantial risks. These 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 change, which can give rise to significant problems in sales, manufacturing and general management of business activities.

Furthermore, the marketplace for such “venture capital investing” has become increasingly competitive. Involvement by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. There can be no assurance that the Whale Rock Capital will locate attractive investment opportunities in private investments.

***Portfolio Turnover.*** At times and in response to market conditions we may employ frequent trading, which can result in higher investment costs and charges to the Fund.

***Loans of Portfolio Securities.*** Each Fund may lend its portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of the Fund’s assets. By doing so, the Fund attempts to increase its income through the receipt of interest on the loan. In the event of a default or the bankruptcy of the

other party to a securities loan, the Fund could experience delays in recovering the securities it lent and there is no assurance that the securities will be recovered. To the extent that the value of the securities the Fund lent has increased, the Fund could experience a loss if such securities are not recovered.

**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, among other things, the level and volatility of securities' prices, the liquidity of the Fund's investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The global markets have in prior years experienced unprecedented volatility and illiquidity. The effects thereof are continuing and there can be no assurance that the Fund will not be materially adversely affected. These conditions have led to extensive governmental interventions. Such interventions have in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to act — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on Whale Rock Capital's strategies.

**Difficulty of Locating Suitable Investments.** There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of their capital in opportunities that satisfy the Funds' investment objectives or that such investment opportunities will lead to completed investments by the Funds. The availability of investment opportunities, particularly with small issuers, generally will be subject to competition from other investment entities.

**Competition.** The securities industry and the varied strategies engaged in by Whale Rock Capital are extremely competitive and each involves a degree of risk. Whale Rock Capital and the Funds compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

**Suspension of Trading.** For all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Funds to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Funds to close out positions.

**Cybersecurity.** As the use of technology has grown, there are ongoing cybersecurity risks that make Whale Rock Capital and the Funds susceptible to operational and financial risks associated

with cybersecurity. To the extent that Whale Rock Capital is subject to a cyber-attack or other unauthorized access is gained to its systems, Whale Rock Capital and the Funds may be subject to substantial losses in the form of theft, loss, misuse, improper release or unauthorized access to confidential or restricted data related to Whale Rock Capital or the Funds. Cyber-attacks affecting Whale Rock Capital's or the Fund's service providers holding its financial or investor data may also result in financial losses to the Funds and their investors, despite efforts to prevent and mitigate such risks under Whale Rock Capital's policies. While measures have been developed which are designed to reduce the risks associated with cybersecurity, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since Whale Rock Capital or the Funds do not directly control the cybersecurity measures of its service providers and financial intermediaries with which it does business.

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

Neither Whale Rock Capital nor any of Whale Rock Capital's management persons have had any legal or disciplinary events that would be material to a client's evaluation of Whale Rock Capital or the integrity of Whale Rock Capital's management.

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

Whale Rock Capital Partners LLC, a Delaware limited liability company and an affiliate of Whale Rock Capital, is the general partner of Whale Rock Flagship Fund LP, Whale Rock Flagship (AI) Fund LP, and Whale Rock Flagship Master Fund LP.

Whale Rock Capital, our affiliates and their members, officers and employees may engage in other business activities, including providing investment management and advisory services to other accounts, and shall not be required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of their officers, directors or employees to a Fund and its affairs. Any such accounts may pursue a substantially similar investment strategy as that of another Fund.

Certain of our principals and employees may serve in the future on the boards of directors of certain publicly traded companies. In such situations, the Funds could be restricted from transacting in securities of such issuers.

Our Chief Executive Officer is the general partner of a family limited partnership (the "Family Partnership") that is a significant owner of the U.S. Fund. The Family Partnership consists solely of a limited number of immediate Sacerdote family members and their related trusts. As of December 31, 2018, the Family Partnership directly owns partnership interests representing approximately eleven percent (11%) of the U.S. Fund.

The Family Partnership owns more than ten percent (10%) but less than twenty-five percent (25%) of the Firm and Whale Rock Capital Partners LLC. The Family Partnership does not participate in the management of the Firm or Whale Rock Capital Partners LLC.

The Family Partnership has a service contract with the Firm under which the Firm's Chief Financial Officer ("CFO") assists with providing certain administrative services related to the activities of the Family Partnership. These administrative services include assisting with cash management, reporting, tax and regulatory filings, and monitoring and due diligence with respect to managers with which Family Partnership invests but do not include investment management services. The

Family Partnership pays for the CFO's services. The Firm does not benefit from these payments. We believe that the amount of time that the CFO devotes to the affairs of the Family Partnership does not interfere with his responsibilities to the Firm or the Firm's responsibilities to the Funds.

The Firm does not provide investment management services to the Family Partnership. To the extent that our Chief Executive Officer provides investment management services to the Family Partnership, he does so in his individual capacity, not on behalf of the Firm. Our Chief Executive Officer devotes a substantial majority of his business time and attention to the affairs of the Firm and the Funds.

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

Whale Rock Capital has adopted a Code of Ethics (the "Code") that describes the standards of business conduct that it requires of Supervised Persons ("Supervised Persons" includes directors, officers and partners of Whale Rock Capital, or other persons occupying a similar status or performing similar functions, employees of Whale Rock Capital, and any other person who provides advice on behalf of Whale Rock Capital and is subject to our supervision and control) and establishes procedures intended to prevent Whale Rock Capital, and its Supervised Persons, from inappropriately benefiting from Whale Rock Capital's relationships with its clients. Whale Rock Capital requires all Supervised Persons to sign an acknowledgement stating they will adhere to the Code.

The Code provides that:

- (i) Whale Rock Capital's clients' interests come before Whale Rock Capital's or Supervised Persons' interests;
- (ii) Whale Rock Capital must disclose to clients all material facts about conflicts of which it is aware between Whale Rock Capital's and its Supervised Persons' interests on the one hand and clients' interests on the other;
- (iii) Supervised Persons must operate on Whale Rock Capital's and their own behalf consistently with Whale Rock Capital's disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts;
- (iv) Whale Rock Capital and its Supervised Persons must not take inappropriate advantage of Whale Rock Capital's clients or their positions of trust with or responsibility to clients, and;
- (v) Whale Rock Capital and its Supervised Persons must comply with all applicable securities laws.

#### **Participation or Interest in Client Transactions.**

Neither Whale Rock Capital nor our Supervised Persons may recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

#### **Personal Securities Transactions.**

The Supervised Persons of the Firm may trade in securities for their own accounts, subject to requirements set forth in the Code. These requirements include pre-clearance and reporting

requirements as may be required by law or otherwise determined from time to time by the Firm. The Code of Ethics requires Supervised Persons to make a written request and receive clearance from our Chief Compliance Officer before they buy or sell any security (other than certain government securities, shares of mutual funds or ETFs not managed by Whale Rock Capital, and certain other types of securities that Whale Rock Capital does not believe create a potential for conflicts of interest). The Code prohibits Supervised Persons from purchasing any reportable securities that currently are or may be in the near future held by client accounts or that are in certain GIC industry designations that include technology, media and telecom companies. Pre-cleared transactions must be completed within a specified time frame.

Supervised Persons must arrange for duplicate brokerage statements and trade confirmations to be sent electronically to Whale Rock Capital's compliance vendor, Compliance Science's *ComplySci*. Whale Rock Capital's Chief Compliance Officer monitors and reviews all Supervised Persons' securities transactions and holdings that are reported by those Supervised Persons.

In addition to investing for his own accounts, our Chief Executive Officer directs or participates in directing investments for accounts of some immediate family members, including the Family Partnership of which he is the general partner. These accounts are subject to the same Code imposed restrictions and reporting requirements as securities trading in accounts held by Supervised Persons generally. Investments by these accounts include investments in pooled investment vehicles, and such vehicles may from time to time invest in securities in which the Funds have also invested.

Our Chief Executive Officer and immediate family members invested in the U.S. Fund, including the Family Partnership, beneficially own a significant portion of the U.S. Fund's assets. For additional information about the Family Partnership, see Item 10, "Other Financial Industry Activities and Affiliations."

Written notice will be provided to Fund investors if our Chief Executive Officer and immediate family members, including the Family Partnership, collectively request to withdraw more than a specified level of their investments. Otherwise, our Chief Executive Officer, the Family Partnership and the family accounts that are invested in in the U.S. Fund are generally subject to the same withdrawal terms as other investors.

### **Material Nonpublic Information**

The Code also contains restrictions on and procedures to prevent trading while Whale Rock Capital is in possession of material nonpublic information.

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Whale Rock Capital will provide a copy of its Code of Ethics to any Investor (including prospective Investors) upon request. Such a request may be made by submitting a written request to Whale Rock Capital at the address on the cover page to this brochure.

### **Item 12 – Brokerage Practices**

We are responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Our primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. We also

take into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions charged. We may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; and statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, and the availability of stocks to borrow for short trades. To acquire such products and services for use by the Funds, we are authorized by the Funds to pay higher commissions to brokerage firms that provide us with such research and trading related products and services if we determine that such commissions are reasonable in relation to the overall services provided. Accordingly, a Fund may be deemed to be paying for research and other products and services with “soft” or commission dollars. It is anticipated that the use of commissions or “soft dollars” to pay for research products or services will fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934. Under Section 28(e), research obtained with soft dollars generated by a Fund may be used by us to service accounts other than the Fund. Where a product or service obtained with soft dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with soft dollars.

Whale Rock Capital currently uses “soft dollars” to the benefit of all Funds’ accounts, and we seek to allocate such benefits proportionately. The “soft dollar” benefits we received last year were resources that assist us in the deep fundamental research we perform on our investments. These resources include sell side investment research, access to sell side analysts, and specialized research platforms that allow us to monitor positions, aggregate research, and gain access to sell side research and company filings. Whale Rock evaluates the resources we receive on a periodic basis to seek to ensure adequate value is being received for commission dollars spent.

When brokerage commissions relating to transactions for Funds are used to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We may have an incentive to select a broker-dealer based on our interest in receiving the research or other products or services, rather than on the Funds’ interest in receiving most favorable execution.

Each of the Master Fund and the AI Fund has an account established at one (or more) prime brokers for the prime broker to clear and settle each Fund’s securities and options transactions. Settlement functions normally include, among other matters, arranging for (i) the receipt and delivery of securities purchased, sold, borrowed and loaned, (ii) the making and receiving of payments, (iii) custody of securities fully paid for or not fully paid for and (iv) custody of all cash, dividends and exchanges, distributions and rights accruing to the Fund’s account. Each Fund may utilize other prime brokers from time to time. Each Fund is not committed to continue its relationship with the prime broker for any minimum period and the Fund may, in its sole discretion, select other brokers to act as prime broker to the Fund. The prime broker will generally maintain custody of each Fund’s securities, although in certain instances other brokers that execute transactions for a Fund will maintain custody of a Fund’s assets.

The prime broker may provide services to us distinct from the custodial, lending and related services the prime broker provides to the Funds. The prime broker or a broker may introduce us to prospective investors for one or more Funds and other accounts. To the extent that we receive such services, conflicts may exist between our interests and the interests of the relevant Fund,

including that we may have an incentive to select a prime broker or broker based on our interest in receiving client referrals, rather than on a Fund's interest in receiving most favorable execution. We believe that the rates of compensation paid to the prime broker and to brokers by the Funds are reasonable and competitive with rates charged by other prime brokers and brokers for services of comparable quality.

We do not direct client transactions to a particular broker-dealer in return for client referrals. We do not recommend, request, require or permit a client to direct us to execute transactions through a specified broker-dealer.

We will not engage in cross trades between funds, as such trades could potentially pose a conflict of interest for one or more of our clients.

The investment programs of the Funds include trading as well as investments, and short-term market considerations frequently are involved. The turnover of a Fund's portfolio (and the concomitant brokerage, custodial and other transaction costs and expenses) is greater than the turnover rates (and transaction costs and expenses) of many other types of investment vehicles.

The Master Fund and the AI Fund may not always invest in the same securities and they may not always invest proportionately due to, among other factors stock loan availability and regulatory restrictions. Allocation of investment opportunities among the Funds and any other accounts will be made in our judgment based upon the investment objectives and investment portfolio of each Fund and such other accounts. When the purchase and sale of securities is considered to be in the best interest of more than one Fund, the securities to be purchased or sold may be aggregated in order to obtain better execution and/or lower brokerage expenses than may be available to a Fund individually. Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner that we consider to be equally as favorable to a Fund as to any other party.

Any trading errors (e.g., errors relating to placement, execution, or settlement of trades) due to causes other than gross negligence or willful misconduct will be for the account of the Master Fund and/or AI Fund, which will accept the profits or suffer the losses from such trading errors pro rata. Whale Rock Capital has obvious incentives to avoid trading errors for reputational reasons as well as the fact that certain owners and employees of Whale Rock Capital invest in such funds and Whale Rock Capital will indirectly suffer the consequences of trading errors through the Performance Allocation payable to the General Partner, which is under common control with Whale Rock Capital. Nevertheless, investors should assume that trading errors will occur periodically and that the Master Fund and/or AI Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Whale Rock Capital's personnel.

Whale Rock Capital's primary order placement functions are conducted in-house by the Firm's Trader. In addition, the Master Fund and the AI Fund have entered into a Services Agreement (the "Services Agreement") with Cowen Group LLC ("Cowen"), a broker-dealer registered with FINRA. Under the Services Agreement, Cowen provides an outsourced trading function that is intended as a back-up and supplement to the Firm Trader. The cost of the back-up trading function is paid for by Whale Rock Capital.

## **Item 13 – Review of Accounts**

### **Review of Accounts**

The Fund portfolios are reviewed by Alex Sacerdote and the investment team on a regular basis (typically daily) to ensure appropriate exposure and risk levels based on market conditions. This review is done via a real-time portfolio monitoring tool provided to us through the Eze Castle OMS System. On a monthly basis, Brian Falahee, Chief Financial Officer, reviews each Fund to determine that investment activities comply with the restrictions of the offering documents and to reconcile positions, valuations, cash, corporate actions, and performance between custodians and Whale Rock Capital's books and records.

### **Reports**

Each Investor receives the following reports:

Monthly:

- An unaudited estimate of net fund performance
- A capital statement showing individual Investor returns and activity
- Summary statement regarding the Fund which details historical fund performance, exposures, and risk statistics.

Quarterly:

- A letter from Whale Rock Capital's CEO.

Yearly:

- Audited fund financial statements
- Schedule K-1s for investors in the U.S. Feeder Fund and the AI Fund.

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

Whale Rock Capital does not receive any economic benefit from a person who is not a client for providing investment advice or other advisory services to Whale Rock Capital's clients. Whale Rock Capital does not directly compensate any person for advisory client referrals.

However, Whale Rock Capital had entered into a placement agreement with a third party, Park Hill, whereby, among other things, Whale Rock Capital will make ongoing fee payments to Park Hill based upon the capital contributions of certain investors that were introduced by them. While this placement agreement has ended, Whale Rock Capital will continue to make payments as noted above for a defined period of time. All such payments are made by Whale Rock Capital and do not cause an increase in fees paid by investors.

## **Item 15 – Custody**

Though all Fund assets are maintained at a qualified custodian, the General Partner (as general partner of the Onshore Funds) and Whale Rock Capital Management (as adviser of the Offshore Fund) are deemed to have custody of such Fund assets due to these entities' ability to take control or possession of such assets. Each Fund is audited annually, and Investors in each Fund receive audited financial statements within 120 days following the end of each Fund's fiscal year end. The audit is conducted by a Public Company Accounting Oversight Board (PCAOB) registered accountant.

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

As the investment adviser to the Funds, Whale Rock Capital has broad discretion, without limitation, to determine the:

- securities to be bought or sold for the Funds' accounts;
- amount of securities to be bought or sold for the Funds' accounts;
- broker or dealer to be used for a purchase or sale of securities for the Funds' accounts; and
- commission rates to be paid to a broker or dealer for the Funds' securities transactions.

Each Investor authorizes such discretion in the Funds' governing documents.

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

Whale Rock Capital has adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients, in accordance with SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. In situations where there may be a conflict of interest between Whale Rock Capital's general proxy voting policy and the interests of the client, we will cast the vote in accordance with the client's interests. Such conflicts would be reviewed by the CCO. Whale Rock Capital's authority to vote the proxies of our clients is established in our investment management agreements or comparable documents, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. Clients and Investors are not permitted to direct Whale Rock Capital how to vote proxies. In accordance with SEC Rule 206(4)-6 of the Investment Advisers Act of 1940, Whale Rock Capital will provide a copy of our proxy voting policy to any Investor in a fund, or any other client or prospective client, upon request. Clients may request a copy of our proxy voting policy, as well as information regarding how Whale Rock Capital voted proxies on behalf of a Fund in which such Investor holds an interest, by contacting Whale Rock Capital using the contact information on the cover page of this brochure.

Whale Rock Capital votes its proxies according to the best interests of its clients. Whale Rock Capital has appointed Glass, Lewis & Co. ("Glass Lewis") as our proxy voting agent. Proxy votes made by Glass Lewis on behalf of Whale Rock will follow Glass Lewis recommendations; however, Whale Rock Capital retains the ability to override the vote if we do not agree with Glass Lewis' recommendations.

The Employee Retirement Income Security Act (ERISA) requires fiduciaries to act "solely in the interest of the participants and beneficiaries of the plan" and "for the exclusive purpose of providing benefits to and defraying reasonable expenses of administering the plan." While ERISA is silent on proxy voting, the Labor Department has held that the right to vote shares of stock owned by a pension plan is an asset of the plan. Therefore, the fiduciary's responsibility to manage the assets includes proxy voting.

The Firm utilizes FRT to provide class action litigation monitoring and securities claim filing services on behalf of the Funds. FRT is compensated based on a percentage of class action proceeds received.

**Item 18 – Financial Information**

Whale Rock Capital does not solicit or require prepayment of more than \$1200 per client, six months or more in advance, and has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Whale Rock Capital has not been the subject of a bankruptcy petition at any time over the past ten years.