

## Form ADV Part 2A: Firm Brochure

### Foxhaven Asset Management, LP

March 6, 2018

#### Principal Office

410 E Water Street, Suite 888  
Charlottesville, VA 22902  
(P) 434-326-5300  
(F) 434-326-5301

This brochure provides information about the qualifications and business practices of Foxhaven Asset Management, LP (“Foxhaven”). If you have any questions about the contents of this brochure, please contact Mike Gennaro at 434-326-5302 or email [mg@foxhavencap.com](mailto:mg@foxhavencap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Foxhaven is registered as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

## Item 2: Material Changes

There have been no material changes since the filing of Foxhaven’s annual Form ADV, dated March 1, 2017.

## Item 3: Table of Contents

Material Changes.....	2
Table of Contents .....	2
Advisory Business .....	2
Fees and Compensation.....	2
Performance Based Fees and Side-by-Side Management .....	5
Types of Clients.....	5
Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Disciplinary Information .....	7
Other Financial Industry Activities and Affiliations .....	7
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	7
Brokerage Practices .....	8
Review of Accounts .....	10
Client Referrals and Other Compensation.....	10
Custody.....	10
Investment Discretion.....	10
Voting Client Securities .....	10
Financial Information .....	11

## Item 4: Advisory Business

Foxhaven is a limited partnership organized under the laws of the State of Delaware to provide investment management services to several related pooled investment vehicles. Formed in April 2013, Foxhaven is owned and controlled by Michael Pausic and Nicholas Lawler (the “Principals”). The investment activities of Foxhaven are led by the Principals together with other investment professionals who assist in executing the investment strategy.

Foxhaven serves as an investment manager and provides discretionary advisory services to several related collective investment vehicles, including private investment partnerships and foreign investment companies organized as a master-feeder structure and private investment partnerships investing in parallel therewith (each, a “Fund” or collectively the “Funds”). Foxhaven serves as investment manager to a master fund, and substantially all investing by the master fund and any feeder funds will be done at the master fund level. Typically, within each partnership structure is a designated general partner or manager (the “General Partner(s)”). Unless and only to the extent that the context otherwise requires, references to Foxhaven includes the General Partner(s).

In providing services to the Funds, among other things, Foxhaven (i) manages the Funds’ assets in accordance with the terms of the confidential offering and/or private placement memoranda,

individual limited partnership or shareholder agreements and other governing documents applicable to each Fund (the “Governing Documents”); (ii) formulates investment objectives; (iii) directs and manages the investment and reinvestment of the Funds’ assets; and (iv) provides periodic reports to Investors. Foxhaven provides investment advice directly to the Funds and not individually to a Fund’s limited partners or investors (the “Investors”). Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s governing documents.

The investment objective of the Funds is to achieve superior risk-adjusted absolute returns over a horizon of three or more years. The Funds plan to pursue the investment objective through investing all or substantially all of their assets in, or in parallel with, the master fund. The master fund intends to pursue a fundamental long-short equity strategy with a global focus on the TMT, consumer and industrials sectors.

From time to time, the Fund may, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority (“FINRA”) as may be amended from time to time (the “Rules”), purchase equity securities that are part of an initial public offering (sometimes referred to as “IPOs” or “new issues”). Under the Rules, brokers may not sell such securities to a private investment fund, if the fund has Investors who are “Restricted Persons”, which category includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, unless the fund has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. The profits and losses with respect to new issues will generally be allocated to Investors in the Fund that are Unrestricted Persons.

Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds are offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

As of December 31, 2017, Foxhaven had \$2.476 billion in regulatory assets under management, all of which are managed on a discretionary basis.

## **Item 5: Fees and Compensation**

Foxhaven’s compensation for the investment advisory services it provides to the Funds is comprised of an asset-based management fee and a performance allocation that is based on the performance achieved for the account of each Investor.

All of Foxhaven’s clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”).

Foxhaven will deduct its management fees from the Funds quarterly in advance and Foxhaven will receive performance-based allocations from the Funds on an annual basis in arrears and upon redemptions by Investors in the Funds. The fees and expenses applicable to each Fund are set forth in detail in each of the Fund’s respective offering memorandums. As the performance allocation is

not the product of an arm's length negotiation with any third party, and because the performance allocation will be calculated on a basis that includes unrealized appreciation of a Fund's assets (other than with respect to the special investment referred to above, except in the event of a deemed liquidation or permanent impairment), such compensation may be greater than if it were based solely on realized gains.

### Operating Expenses

In addition to the fees described above, each Fund bears all of its own (and a *pro rata* share of its Master Fund's) expenses (and each Investor in a Fund bears its share) as more fully described in each Fund's Offering Document. The expenses include, but are not limited to:

- Transaction and Investment Related Expenses, including brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, initial and variation margin, consulting, advisory, investment banking and other professional fees relating to particular investments or contemplated investments, research-related expenses (but excluding research-related travel expenses), and fees and expenses of third-party providers of research and portfolio risk management services (including, without limitation, the costs of risk management software and database packages).
- Fund Administration Expenses, including legal (including with respect to litigation, if any), accounting, the management fee, and the Fund administrator fees and expenses.
- Auditing and Tax Preparation Expenses, including, audit and tax advice and preparation fees and expenses.
- Regulatory; Compliance and Insurance Expenses, including expenses related to regulatory and compliance filings associated with the Fund and its investment activities, insurance costs (including, without limitation, directors and officers insurance, errors and omissions insurance and other similar policies), filing and registration fees.
- Other Expenses, including, without limitation, extraordinary expenses (including indemnification or litigation expenses and any judgments or settlements paid in connection therewith), all other costs and expenses arising out of the Fund's indemnification obligations, fees and costs relating to any Fund directors, marketing expenses, any entity level taxes, fees or other governmental charges levied against the Fund, wind-up and liquidation expenses and any other expenses not arising in the ordinary course of business.
- Organizational Expenses, including all legal and other organizational expenses incurred in the formation of such Fund and all expenses relating to the offer and sale of equity interests in such Fund.

To the extent that expenses to be borne by the Funds are paid by Foxhaven or its affiliates, the Funds will reimburse Foxhaven or its affiliates for such expenses.

Foxhaven maintains one professional liability insurance policy that covers all entities. While each entity pays a portion of the insurance premium, it is possible that one or more entities could exhaust all of the coverage of the policy and that there would be no coverage benefit available for other entities.

For more information on the transaction-related expenses that the Funds may incur, as well as on

Foxhaven's broker selection process, please see Item 12 (the "Brokerage Practices" section of this Brochure).

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

Foxhaven or its affiliates receive annual performance-based allocations from the Funds, which are based on a percentage of the net capital appreciation of their assets. These allocations may create an incentive for Foxhaven to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such allocations were not received.

## **Item 7: Types of Clients**

Foxhaven intends to provide discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner or board of directors, as the case may be, and not individually to the Investors. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

Details concerning applicable Investor suitability criteria are set forth in the respective Fund's Governing Documents. The minimum commitment for an Investor is outlined in the respective Fund's Governing Documents, but is generally \$10 million. However Foxhaven and/or its affiliates maintain discretion to accept less than the minimum investment threshold. Each Investor is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Regulation D under the Securities Act, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act, as amended.

Each Fund's partnership agreement or Memorandum and Articles of Association ("articles"), as applicable, grants the General Partner or the board of directors, as applicable, the authority, in its sole discretion, to waive certain provisions of the Fund's partnership agreement or articles, as applicable, including agreeing to waive, reduce or calculate differently the Management Fee and the Performance Allocation, agreeing to waive minimum contributions and interest charges, agreeing to different admission dates, withdrawal dates, lock-up periods, notice periods and other restrictions, providing additional transparency and permitting the revocation of withdrawal notices. The General Partner may waive the Performance Allocation and Management Fee for members or employees of Foxhaven and certain affiliates and estate planning vehicles, each a Related Person.

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

### Investment Strategy

As described more fully in the Fund's Governing Documents, the investment objective of the Funds is to achieve superior risk-adjusted absolute returns over a horizon of three or more years. The Funds plans to pursue the investment objective through investing all or substantially all of their assets in,

or in parallel with, the master fund. The master fund intends to pursue a fundamental long-short equity strategy with a global focus on the TMT, consumer and industrials sectors.

### Methods of Analysis

Foxhaven's investment strategy is driven by fundamental, bottoms-up research. Foxhaven's fundamental research includes, but is not limited to, the following methods: meeting with company management, speaking with customers, competitors and suppliers, consultation with industry experts and reading publicly available information and financial filings (such as Form 10-K and Form 10-Q). Foxhaven evaluates, in particular, the following aspects of each company considered for investment: the capabilities and track record of management, the strategic positioning of the company within its industry and the industry overall, and the valuation of the relevant securities.

Foxhaven deploys capital to the individual investment opportunities that it believes offer the highest returns relative to risk, regardless of index weightings, market capitalization or style orientations. This includes selling securities short in order to generate absolute returns and hedge the Foxhaven portfolio.

Investors should review the respective Fund's Governing Documents for more details on the manner in which Foxhaven intends to implement the Fund's investment strategy and the methods of analysis that Foxhaven seeks to utilize in order to reach these investment objectives.

### Risks

As a general matter, investing in securities involves a risk of loss that Investors should be prepared to bear. And, as explained more fully in each Fund's Governing Documents, the specialized investment program of the Funds involves a considerable degree of risks. Examples of such risks include, but are not limited to:

- The Fund may invest in assets and derivatives which it may not be able to readily sell or dispose of, including securities whose disposition is restricted by securities laws. The Fund's ability to sell assets or derivatives may be adversely affected by various factors, including limited trading volume, lack of a market maker, or legal restrictions.
- Lack of operating history upon which Investors can evaluate anticipated performance of the investment strategy;
- Certain Funds are organized as a master-feeder structure which may pose certain conflicts of interest when determining whether to hold or dispose of an investment because of different tax considerations applicable to onshore or offshore feeder funds;
- The use of margin transactions, short sales, leverage, options on securities, commodities, and other derivatives, the practices of which can, in certain circumstances, maximize the adverse impact to which the Funds may be subject;
- The Funds may invest in non-U.S. Securities including emerging markets. Such investments may be subject to a greater risk than U.S. investments due to non-U.S. economic, political and legal developments;

- The Funds are subject to general market and economic conditions, such as interest rates, the availability of credit and inflation rates, any of which could affect the level and volatility of prices of securities, commodities or other financial instruments and the liquidity of the Funds' investments.
- The Funds will be exposed to counterparty risk to the extent it uses over-the-counter derivatives, enters into repurchase agreement, lends its portfolio securities or allows a prime broker, if any, or an over-the-counter derivative counterparty to retain possession of collateral. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Funds could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for the Funds.

It is recommended that Investors review the Funds' Governing Documents for a more complete discussion of the risk factors associated with the Funds.

## **Item 9: Disciplinary Information**

Neither Foxhaven nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

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

Foxhaven and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

An affiliate of Foxhaven serves as the General Partner of the Funds. While the General Partner is not separately registered as an investment adviser with the SEC, all of its investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner, if any, are subject to the supervision and control of Foxhaven.

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

### Code of Ethics

Foxhaven has adopted a written Code of Ethics (the "Code") that is applicable to all employees. Among other things, the Code sets the standard of business conduct that we require of our employees, requires Foxhaven and its employees to act in Clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Foxhaven's restrictions on personal securities trading apply to employees, as well as employees' immediate family members living in the same household.

### Participation or Interest in Client Transactions

Foxhaven, its employees or a related entity (collectively “Related Persons”), will generally have an investment in the Funds managed by Foxhaven. As a result, Related Persons have an interest in an investment that may also be recommended to the Funds.

### Personal Trading

Employees must pre-clear certain personal securities transactions and securities obtained through a private placement, before completing the transactions. Foxhaven may deny any proposed transaction, particularly if the transaction poses a conflict of interest or if Foxhaven is planning on transacting the same security at or about the same time in the Funds. Employees are also required to provide quarterly reports regarding transactions and holdings in “Reportable Securities” as defined in the Advisers Act. Employees must disclose all personal trading accounts initially upon commencement of employment and annually thereafter.

In addition to restrictions on personal trading, Foxhaven also maintains policies and procedures that address and place limits on the giving and receiving of gifts and entertainment, the making of political contributions, service on outside boards of directors and other outside business activities. Foxhaven’s personnel are required to certify to their compliance with the Code on a periodic basis. A copy of the Code shall be provided to any Investor or prospective Investor upon request.

Finally, Foxhaven also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. Foxhaven’s personnel are required to certify their compliance with Foxhaven’s insider trading policies and procedures on a periodic basis.

## **Item 12: Brokerage Practices**

### Selection of Brokers and Dealers

Foxhaven has complete discretion in deciding 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.

In choosing brokers and dealers to effect portfolio transactions for the Funds, Foxhaven seeks to obtain “best execution” for the Funds’ transactions. In evaluating whether a broker-dealer provides best execution, portfolio transactions for the Clients are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Foxhaven 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, Foxhaven may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty

of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of related services considered to be of value; commitment of capital; access to company management; access to deal flow; and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria. Accordingly, if Foxhaven determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, the Funds may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction.

### Soft Dollars

If Foxhaven were to acquire "brokerage" or "research" from brokers, those services may include, but are not limited to, written (including electronic) information and analysis concerning specific securities, companies or sectors; news, quotation, statistics and pricing services, as well as discussions with research personnel and consultants; and trading hardware and software, data bases and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees in connection with investigating and monitoring potential and existing investments.

Generally, research services provided by broker-dealers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists, academicians, and government representatives. In some cases, research services may be generated by third parties but provided to Foxhaven by or through broker-dealers.

Section 28(e) of the Exchange Act provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain brokerage and research services (commonly referred to as a "soft dollar" arrangement). That practice involves a conflict of interest, but Section 28(e) of the Securities Exchange Act of 1934 provides that it does not breach Foxhaven's fiduciary duty to the Funds if the services and products consist of "research" and "brokerage" services and products and certain other conditions and requirements are met. Foxhaven may use "soft" or commission dollars, and retains the right to do so.

### Trade Errors

On occasion, errors may occur with respect to trades executed on behalf of a Fund. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, or when the wrong quantity is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded). Trade errors frequently result in losses but may, occasionally, result in gains. Foxhaven will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an

expeditious manner. To the extent an error is caused by a third party, such as a broker, Foxhaven may seek to recover any losses associated with such error from such third party. Foxhaven, as the case may be, will determine whether any trade error has resulted from gross negligence on its part, and, unless it finds that to be the case, any losses will be borne by (and any gains will benefit) the Fund. Foxhaven will establish internal policies regarding the manner in which such determinations are to be made, but Investors should be aware that, in making such determinations, Foxhaven will have a conflict of interest. Generally, Foxhaven will not be held accountable for trade errors that do not breach the standard of care set forth above.

### **Item 13: Review of Accounts**

The Funds' portfolios are reviewed on a continuous basis. Foxhaven's investment personnel hold investment meetings, as necessary, to discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

Foxhaven provides each Investor with the following reports in accordance with the terms of the applicable Fund's Governing Documents: (i) unaudited performance information on a monthly basis; (ii) an Investor letter on a quarterly basis; (iii) audited financial statements prepared in accordance with GAAP; and (iv) annual tax information necessary to complete any applicable U.S. tax returns.

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

Foxhaven does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

### **Item 15: Custody**

Foxhaven expects to have access to client accounts (i.e., the Funds) since an affiliate will serve as the General Partner for certain of the Funds or by virtue of having the authority to obtain possession of client funds or assets. Investors will not receive statements from any custodians. Instead, the Funds will be subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements will be distributed to each Investor. The audited financial statements will be prepared in accordance with GAAP and distributed within 120 days of each Fund's fiscal year end.

### **Item 16: Investment Discretion**

In accordance with the terms and conditions of the Funds' Governing Documents, and subject to the direction and control of the General Partner, Foxhaven will generally have discretionary authority to determine, without obtaining specific consent from the Funds or its Investors, the

securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

### **Item 17: Voting Client Securities**

Foxhaven will be responsible for voting client proxies. Foxhaven has developed a written policy and procedures governing its activities in this area. In general, the policy requires Foxhaven to vote proxies in the interest of maximizing shareholder value. In addition, Foxhaven maintains a record of all proxy votes cast on behalf of the Funds.

Conflicts of interest may arise between the interests of the Funds on the one hand and Foxhaven or its affiliates on the other hand. If Foxhaven determines that it may have, or is perceived to have, a conflict of interest when voting proxies, Foxhaven will vote in accordance with its proxy voting policies and procedures. A copy of Foxhaven's proxy voting policies and procedures and/or its proxy voting record will be made available to Investors upon request.

Foxhaven does not direct Clients' participation in class actions.

### **Item 18: Financial Information**

Foxhaven does not require or solicit prepayment of fees six months or more in advance. As of the date of this brochure, we are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to the Funds. Foxhaven has not been the subject of any bankruptcy proceeding.