

# Altimeter Capital Management, LP

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Form ADV Part 2A

**This Brochure provides information about the qualifications and business practices of Altimeter Capital Management, LP. If you have any questions about this Brochure's contents, then please contact us at 617-310-6180. 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 Altimeter Capital Management, LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

Since Altimeter’s last Form ADV Part 2A filing, dated March 2020, there have been no material changes.

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#### **Item 4 – Advisory Business**

Altimeter Capital Management, LP (“**Altimeter**”), a Delaware limited partnership, was formed in October 2008 and is registered with the SEC as an investment adviser. Altimeter provides investment advisory services on a discretionary basis (i) to an open-ended long/short private investment fund (the “**Hedge Fund**”), (ii) to a closed-ended long/short private investment fund (the “Public SPV”) and (iii) to closed-ended venture capital funds (each, a “**Venture Capital Fund**,” and collectively with the Hedge Fund and Public SPV, the “**Funds**”). Each Fund is exempt from registration under the Investment Company Act of 1940, as amended (the “**1940 Act**”), and no Fund securities are registered under the Securities Act of 1933, as amended (the “**Securities Act**”). For all Funds, Altimeter identifies investment opportunities, and also acquires, manages, monitors, and disposes of investments. Altimeter’s investment-advisory activity focuses primarily on advising the Funds about investments in securities of publicly traded and non-publicly traded companies that Altimeter believes may offer opportunities to realize substantial long-term appreciation. Altimeter may also offer advice on investments in equities, short sales, venture capital transactions, derivative instruments, options, commodities, currencies, and other asset classes.

Altimeter does not tailor advisory services to individual client needs. Instead, Altimeter manages each Fund according to the stated investment strategy contained in that Fund’s offering documents. Altimeter does not participate in any wrap-fee programs.

Brad Gerstner is Altimeter’s principal owner and Chief Executive Officer.

As of December 31, 2020, Altimeter provides investment advice with respect to a total of approximately \$20,660,083,175 in regulatory assets under management, all of which is managed on a discretionary basis.

#### **Item 5 – Fees and Compensation**

As compensation for Hedge Fund advisory services, Altimeter receives from the Hedge Fund an annual management fee payable quarterly in advance. If a capital contribution is made as of any date other than as of the first business day of a calendar quarter, then, for that capital contribution and with respect to that calendar quarter, the Hedge Fund pays Altimeter a pro-rated management fee based on the capital-contribution amount and the number of days that remain in that calendar quarter.

As compensation for Venture Capital Fund advisory services, Altimeter receives from each Venture Capital Fund an annual management fee payable quarterly in advance.

To the extent provided in each Fund’s partnership agreement and advisory agreement, Altimeter will pay certain of its own operating expenses, including rent, utilities, office supplies, office equipment, and salaries (other than performance allocations as described in Item 6 below). Each Fund will pay all costs and expenses incurred in connection with its own formation and organization, as well as all other costs, expenses, and fees incurred by that Fund, including those related to, arising out of, caused by, charged by or for, or incurred for (i) maintaining books and records; (ii) preparing and distributing financial reports; (iii) complying with applicable tax laws; (iv) attorneys, accountants, consultants, advisers, and custodians for services rendered; (v) investments, including brokerage commissions, custodians, interest, and research expenses; (vi) insurance premiums and litigation expenses; and (vii) everything associated with operating that Fund.

In connection with Hedge Fund and Public SPV investments, the Hedge Fund and Public SPV frequently incur brokerage and/or other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

As a performance allocation, a portion of each Fund’s net investment profit is allocated to the capital account of that Fund’s general partner (the “**General Partner**”). Each General Partner is an Altimeter related person. Altimeter-managed clients are typically charged both a management fee and performance allocation.

In certain circumstances, two or more Funds may have overlapping investment objectives and investment strategies. Accordingly, multiple Funds may invest in the same securities and/or in the same issuers. While Altimeter anticipates some overlap among multiple Fund portfolios, Altimeter will invest for each Fund according to that Fund’s specific mandate, objective, liquidity, concentration, risk tolerance, and other applicable parameters.

## **Item 7 –Clients Types**

Altimeter currently provides investment advisory services to the Funds, each of which is exempt from registration as an investment company under the 1940 Act. Altimeter provides investment advice directly to each Fund, subject to each corresponding General Partner’s direction, and not individually to any Fund’s investors.

As outlined in each Fund’s governing documents, each Fund investor must satisfy certain legal eligibility requirements, as well as any established minimum investment commitments. For example, each Fund investor must be an “accredited investor,” as defined in Regulation D under

the Securities Act and also a “qualified purchaser,” as defined in Section 2(a)(51)(A) of the 1940 Act. Each Fund’s General Partner, in its sole discretion, may permit investments below the required minimum investment commitments.

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

Altimeter seeks to produce long-term, risk-adjusted capital appreciation through its portfolios of relatively concentrated long, short, and private investments.

Public Equity Investment Activity: In managing the Hedge Fund and Public SPV, Altimeter’s objective is to maximize compounded annual long-term net returns for the investors. Altimeter takes a deep fundamental approach to security analysis. Each investment position stands on its own based on Altimeter’s assessment of whether a significant discrepancy exists between a company’s current market value and intrinsic business value. Altimeter intends to invest Hedge Fund and Public SPV assets in sectors and companies in which Altimeter believes it has differentiated expertise and understanding. Altimeter intends to invest most Hedge Fund and Public SPV capital in generally liquid positions, and intends that most investments will be made in public equity and other marketable securities. It should be noted however that the Hedge Fund may also invest in illiquid or private investments.

Venture Capital Investment Activity: Altimeter also applies deep fundamental securities analysis to source new private investment opportunities. Each investment position stands on its own based on Altimeter’s assessment of whether a significant discrepancy exists between a company’s current market value and future business value. Altimeter intends to invest Venture Capital Fund assets in sectors and companies in which Altimeter believes it has differentiated expertise and understanding. Altimeter intends to invest most Venture Capital Fund capital in generally illiquid securities.

## **Risks**

All Fund investors must assume and accept certain and substantial risks that are inherent in all Fund investments and investment programs. Altimeter’s investment approach seeks to monitor and manage loss risk through careful research, ongoing investment evaluation and monitoring, and appropriate hedging techniques. However, there can be no assurance that the securities and other instruments purchased (or sold short) will increase (decrease) in value or that Altimeter’s accounts will not incur significant losses. Certain non-exclusive examples of risk factors that are applicable to any Fund investment are outlined below. Please refer to each Fund’s Confidential Offering Memorandum, Limited Partnership Agreement and/or other governing documents for a more detailed risk discussion.

**Securities Investments Generally.** Securities investing involves loss risks that clients must be prepared to assume and accept. Fund investments may decline in value for any number of reasons over which Altimeter and the Funds have no control, including changes in the overall market for equity securities and factors pertaining to particular portfolio securities, such as the

issuer's management performance, the market for the issuer's products or services, issuer supply sources, technological changes within the issuer's industry, issuer access to capital and labor, general economic conditions, political conditions, and other similar conditions. The value of each Fund's investments will fluctuate, and there is no assurance that any Fund will achieve its investment objective of capital appreciation or that any Fund will avoid losses. The profit (or loss) derived from each Fund's investment transactions consists of the price differential between the price paid for the securities and the value ultimately realized from their disposition, plus any dividends or interest received during the time period during which the securities are held, minus transaction costs (consisting mainly of brokerage commissions). If the securities held long (sold short) do not increase (decrease) in value as anticipated, then the Funds may sell (buy to cover) the securities without any gain or at a loss. Long Fund positions could decline in value at the same time that the value of the securities sold short increases, which would increase the potential for loss. Altimeter could also misjudge the effect that a particular security will have on portfolio exposure to market risk or that the particular combination of securities held long and those sold short will fail to insulate the Funds from general equity market risk as anticipated. To the extent that Altimeter determines not to evenly balance the portfolios between long and short positions, the Funds will be subject to increased market risks.

**General Partner Reliance.** Fund investors will not have any right or power to participate in Fund management. Accordingly, no investor should purchase any Fund interests, unless such investor is willing to entrust all aspects of Fund management to the applicable General Partner and its designees. Fund investors also will not receive detailed financial information issued by any Fund's portfolio companies, but such financial information may be available to Altimeter and the General Partner.

**Investment Competition.** The Funds will compete with other entities to acquire investments. Such competition may come from groups like institutional investors, investment managers, industrial groups, and merchant banks, each of which may have greater resources than the Funds and may be owned by large and well-capitalized investors. For any investment in which the Funds intend to participate, intense competition may exist, and that competition could result in less favorable investment terms than would otherwise be available. The Funds may be unable to find a sufficient number of attractive investment opportunities to meet their investment objectives. Therefore, there can be no assurance that Fund investments will meet all of that Fund's investment objectives or that any Fund will be able to invest all of its available capital.

**Highly Volatile Markets.** The Funds may also invest in financial instruments with highly volatile prices. Price movements are influenced by, among other things, interest rates, changing supply- and -demand relationships, trade, fiscal, monetary, and exchange control programs and policies of various governments, and national and international political and economic events and policies. Each Fund is also subject to the risk that any of the exchanges on which that Fund's positions trade will fail or that any of the clearinghouses and/or other financial institutions will fail.

**Investment Program.** Each Fund's investment programs are considered speculative, as there can be no assurance that Altimeter's assessments of the short-term or long-term investment prospects will prove accurate, that gains will be achieved, that losses will be avoided, or that

investment objectives will be achieved. A number of investment techniques that the Funds may regularly and simultaneously utilize, such as short selling, buying and selling put and call options, leveraging investments, concentrating investments in a single or limited number of companies or industries, and derivatives trading, are each considered speculative and inherently risky investment practices. Using a combination of these techniques simultaneously may further increase the risk level compared to risk levels from using only one such technique at any given time or generally. If any Fund investment programs are unsuccessful, then a Fund investor may lose money and the Fund may under-perform other available investments.

**Unspecified Investments.** Venture Capital Fund capital commitments received from investors go into a blind pool. When receiving such capital commitments, the Venture Capital Fund partnership has not yet identified any particular investments that the Venture Capital Fund will make. Accordingly, each Venture Capital Fund investor must rely upon the General Partner's ability (or its designee's ability) to make investments that are consistent with the Venture Capital Fund partnership's investment objectives and policies. Investors will not have any opportunity to approve any such investments, and will not have any opportunity to individually evaluate the relevant economic, financial, and other information that the General Partner (or its designee) will utilize in selecting investments.

**Conflicts of Interest.** The Funds and their respective investors will be subject to certain potential or actual conflicts of interest arising out of their relationship with the General Partners, Altimeter, and their respective members and other affiliates, which will provide management services to the Funds. The agreements and arrangements among the Funds, the General Partners, Altimeter, and their respective members and affiliates have been established by the General Partners and are not the result of arm's-length negotiations. Some non-exclusive examples of potential or actual conflicts of interest are described below.

**Investment-Opportunity Allocations.** Potential or actual conflicts of interest could exist when investment opportunities are allocated between or among the different Funds because (i) Altimeter unilaterally determines how to allocate any particular investment opportunity between or among the different Funds, while Fund investors have no control or influence over such investment-opportunity allocations; (ii) Altimeter and each General Partner are under common control; (iii) Altimeter related persons, control persons, and other affiliates are also investors in the different Funds, with different relative percentage ownership interests among the Funds and different aggregate dollar exposures among the Funds; (iv) each Fund's investors are different than each other Fund's investors; (v) most Fund investors are not affiliated with Altimeter, any General Partner, or their respective control persons, related persons, or other affiliates; (vi) the various Funds have different terms and conditions relating to management fees, performance allocations, and other important financial and operational partnership arrangements; and, (vii) under such circumstances, Altimeter could allocate investment opportunities in a manner that unduly or systematically favors Altimeter, one or more General Partners, and/or one or more of their respective control persons, related persons, or other affiliates (whether in their capacity as such or in their capacity as investors in one or more particular Funds), while unduly or systematically disfavoring Fund investors that are unaffiliated with Altimeter, any General Partner, and/or their respective control persons, related persons, or other affiliates. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential

or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Securities Valuation Practices.** Potential or actual conflicts of interest could also exist with respect to valuing securities held by each Fund because (i) higher securities valuations generally result in higher management fees payable to Altimeter and higher performance allocations to the General Partners; (ii) Altimeter and the General Partners unilaterally determine how to value securities held by the Funds at any given time and generally, while Fund investors have no control or influence over such valuations; (iii) Altimeter and each General Partner are under common control; (iv) Altimeter and General Partner related persons, control persons, and other affiliates are also investors in the different Funds, with different relative percentage ownership interests among the Funds and different aggregate dollar exposures among the Funds, and they generally are not subject to management fees or performance allocations; (v) each Fund's investors are different than each other Fund's investors; (vi) most Fund investors are subject to management fees and performance allocations, and are not affiliated with Altimeter, any General Partner, or any of their respective related persons, control persons, or other affiliates; and, (vii) under such circumstances, Altimeter and the General Partner could inflate securities valuations generally, systematically, or in a particular case to unduly favor Altimeter, one or more General Partners, and/or one or more of their respective related persons, control persons, or other affiliates (whether in their capacity as such or in their capacity as investors in one or more particular Funds), while unduly disfavoring Fund investors that are unaffiliated with Altimeter, any General Partner, and/or their respective control persons, related persons, or affiliates. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Expense Allocations.** Potential or actual conflicts of interest could also exist when allocating expenses between and among Altimeter and the Funds because (i) Altimeter unilaterally determines how to allocate all expenses; (ii) expenses that Altimeter allocates to itself reduce Altimeter's own net profits on a dollar-for-dollar basis; (iii) expenses that Altimeter allocates to one or more of the Funds do not affect Altimeter's net profits and instead reduce the capital accounts held by the Fund investors; (iv) the correct allocation of certain kinds of expenses could be ambiguous as between Altimeter and one or more of the Funds and/or as between the different Funds; (v) Altimeter related persons, control persons, and other affiliates are also investors in the different Funds, with different relative percentage ownership interests among the Funds and different aggregate dollar exposures among the Funds; (vi) each Fund's investors are different than each other Fund's investors; (vii) most Fund investors are not affiliated with Altimeter or its related persons, control persons, or other affiliates; and (viii) the various Funds have different contractual terms and conditions relating to expense allocations. Under such circumstances, Altimeter could allocate expenses in a manner that unduly or systematically favors Altimeter and/or one or more of Altimeter's control persons, related persons, or other affiliates (whether in their capacity as such or in their capacity as investors in one or more particular Funds), while unduly or systematically disfavoring Fund investors that are unaffiliated with Altimeter and/or any Altimeter control persons, related persons, or affiliates. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Trade Errors.** Trade errors can include buying or selling the wrong security or the wrong number of securities; selling a security instead buying it; buying a security instead of selling it; delayed execution leading to a material price changes; delayed execution causing a complete failure to execute a trade because the price moves too far from the intended level; trades that violate investment restrictions; and allocating a trade to the wrong Fund. Potential or actual conflicts of interest could also exist with respect to trade errors because (i) Altimeter unilaterally makes all trade decisions for all Funds, and Altimeter is responsible for correctly executing all trades; (ii) Altimeter unilaterally determines whether any particular trade qualifies as a trade error; (iii) Altimeter may determine to charge the Funds with the costs, fees, expenses, and losses associated with trade errors; and (iv) Fund financial responsibility for trade errors would be effectively paid by deducting from each Fund investor's capital account by an amount that represents such capital account's pro-rata share of the costs, fees, expenses, and losses associated with those trade errors. Under these circumstances, Altimeter could be less diligent with respect to trade execution, as compared to the diligence that Altimeter would employ if Altimeter were always fully responsible for the consequences of trade errors. Additionally, with respect to trading declaring trade errors, Altimeter could generally, systematically, or in a particular case unduly favor Altimeter and/or one or more of Altimeter's control persons, related persons, or other affiliates (whether in their capacity as such or in their capacity as investors in one or more particular Funds), while unduly disfavoring Fund investors that are unaffiliated with Altimeter and/or any Altimeter control persons, related persons, or affiliates. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Personal Securities Trading.** Potential or actual conflicts of interest can also exist whenever Altimeter control persons, related persons, or other affiliates engage in personal securities trading. Such Altimeter affiliates could have a personal financial incentive to cause the Funds to trade securities or to undertake and pay for other business transactions in a manner that is beneficial to the Altimeter affiliate's personal securities investments, but that is also detrimental to one or more Funds. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Outside Business Activities.** Potential or actual conflicts of interest can also exist with respect whenever Altimeter control persons, related persons, or other affiliates engage in outside business activities. Such Altimeter affiliates could have a personal financial or other incentive to cause the Funds to trade securities or to undertake and pay for other business transactions in a manner that is beneficial to the Altimeter affiliate's outside business activities or personal interests, but that is also detrimental to one or more Funds. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Gifts and Entertainment.** Potential or actual conflicts of interest can also exist whenever Altimeter control persons, related persons, or other affiliates request, are offered, expect to receive, or actually receive gifts or entertainment from third-parties. To encourage or reward the potential or actual provider of such gifts or entertainment, such Altimeter affiliates could cause the Funds to trade securities or to undertake and pay for business transactions to that provider's

benefit, even though such trades or business transactions are detrimental to one or more Funds. Altimeter believes that it has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest, but there can be no assurance that Altimeter will successfully do so in all cases.

**Performance Allocation.** With respect to each Fund that is treated as a partnership for U.S. income tax purposes, the capital account of the General Partner is generally allocated a portion of the net investment profit tentatively allocated to such Fund's investors as described in more detail in such Funds' offering memoranda. These special allocations are commonly referred to as a carried interest or performance allocation.

The performance allocation may create an incentive for the General Partner to make investments that are riskier or more speculative than would be the case in the absence of the performance allocation. In addition, since the performance allocation for the Hedge Fund is based on unrealized appreciation as well as realized gains of the Hedge Fund, the performance allocation would be greater than if it were based solely on realized gains. A performance allocation will reduce the return of an investor's investment in the applicable Fund.

The tax treatment to the owners of the General Partner (including Mr. Gerstner) changed as a result of recent changes in U.S. tax law. After January 1, 2018, the General Partner owners generally will recognize long-term capital gain with respect to the performance allocation only to the extent that the Funds' portfolio investments from which such capital gain is derived were held for more than three years (as opposed to more than one year under prior law). The performance allocation that is not attributable to "three-year portfolio investments" generally will be taxable as short-term capital gain for federal income tax purposes at the applicable ordinary income rate (maximum of 37%), which is substantially higher than the rate applicable to long-term capital gain (maximum of 20%). This tax treatment applies only to the General Partner owners with respect to the performance allocation, and not to Fund investors who remain generally entitled to be taxed at the long-term capital gain with respect to Fund portfolio investments that were held more than one year. This disparate tax treatment creates a conflict of interest that may incentivize the General Partner to cause the Funds to hold investments for more than three years in order for its owners to benefit from the lower tax rate. This conflict of interest does not apply to Fund portfolio investments that would otherwise be held for more than three years or for one year or less. Accordingly, this conflict of interest is greater for the Hedge Fund and Public SPV than the Venture Capital Funds.

**Other Potential or Actual Conflicts of Interest.** These are non-exclusive examples of potential or actual conflicts of interest that could exist and that could negatively impact a Fund investor. Other potential and actual conflicts of interest can exist in a large number of unique or general circumstances, situations, or conditions. For a more detailed discussion of potential and actual conflicts of interests, please see the applicable Fund's limited partnership agreement, private placement memorandum, and other confidential offering materials.

**Due Diligence Risks.** Before making investments, Altimeter intends to conduct due diligence only to the limited extent that Altimeter deems reasonable and appropriate based on the facts and

circumstances applicable to each investment. When conducting investment due diligence and otherwise assessing an investment, Altimeter will be required to rely on the reasonably available resources, including information provided by the investment target and, in some circumstances, third-party investigations. In all cases, the due diligence process will include subjective judgments, evaluations, and determinations, especially with respect to newly organized companies for which only limited information is available. Accordingly, there can be no assurance that Altimeter's due diligence investigations will reveal, appreciate, or highlight all relevant facts that may be necessary or helpful in evaluating any or all investment opportunities. In any case, and regardless of the due diligence process, there can be no assurance that any particular investment will be successful or will avoid losses.

**High Concentration and No Diversification Requirements.** Altimeter anticipates that, under normal market conditions, each Fund's investment portfolio will often be highly concentrated – and therefore will not be comprised of portfolios with diversified investment positions. The highly concentrated Fund investment portfolios are unlike some other investment funds that, as a matter of investment policy, diversify portfolio holdings so that no more than a fixed percentage of their assets are invested in any one company, industry, industry group, sector, country, or geographic region. To the contrary, the Funds are not subject to any fixed investment-diversification guidelines or investment-concentration limitations. To the extent that each Fund concentrates its investments in a particular company, industry, industry group, sector, country, or geographic region, the Fund portfolio value will be disproportionately impacted by events that affect such company, industry, industry group, sector, country, or geographic region. Additionally, if investors generally begin to disfavor any specific company, industry, industry group, sector, country, or geographic region in which any Fund's assets are concentrated, then the Fund will lose money or under-perform the stock market, investment funds that are not concentrated, and/or investment funds that are concentrated in different ways. Such Fund investment concentration could also increase the volatility of each Fund's portfolio value.

**Small-Capitalization, Mid-Capitalization, and New Issuers.** Altimeter anticipates investing Fund assets in securities that are issued by companies with small market capitalizations, companies with mid-sized market capitalizations, and recently organized companies. Investments in these kinds of companies can involve greater risk and greater portfolio price volatility than equity investments in larger or more established companies. Historically, stocks that are issued by small-capitalization companies, mid-capitalization companies, and recently organized companies have suffered substantially greater price volatility than those of companies with a larger market capitalization companies and more established companies. The causes for greater price volatility include the fact that the markets for such stocks typically offer much lower liquidity than stocks issued by larger or more established companies. Additionally, smaller, medium-sized, and less established companies are more likely to have limited product lines, limited markets, and/or limited financial resources, and more likely to depend upon less experienced or less capable management. The securities issued by small capitalization companies also may be traded only on the over-the-counter markets or on a regional securities exchange and may not be traded daily or in the volume typical of trading on a national securities exchange.

**Short-Selling Risks.** As an integral part of Altimeter’s investment strategy, the Hedge Fund will engage in short sales of securities. A short sale involves selling a security that the Hedge Fund does not own. To deliver the unowned security to the buyer, the Hedge Fund must first borrow the security from a security lender. The Hedge Fund then becomes obligated to return the security to the lender, which the Hedge Fund accomplishes by buying the same security later. When the Hedge Fund sells a security short, the Hedge Fund may be obligated to leave the short-sale proceeds with the broker and also deposit with the broker an amount of cash or other securities (subject to applicable legal requirements) that is sufficient under any applicable margin or similar regulations to collateralize the Hedge Fund’s obligation to return the borrowed securities that the Hedge Fund has sold. If the security’s price increases between the Hedge Fund’s short sale and the Hedge Fund’s return of the borrowed security, then the Hedge Fund will incur a loss. Conversely, if the price declines during that time period, then the Hedge Fund will realize a gain. Any gain will be decreased, and any loss will be increased, by the transaction costs incurred in connection with the short sale, which costs include brokerage commissions and interest payments during the time period between initially borrowing the security and ultimately returning the security. Although the Hedge Fund’s maximum gain is limited to the price at which the Hedge Fund sold the security short, the Hedge Fund’s potential loss is theoretically unlimited because there is no theoretical limit on how much the price of a security may appreciate before the short position is closed out. Additionally, the supply of securities that can be borrowed fluctuates from time to time. The Hedge Fund may be subject to losses if a security lender demands that the Hedge Fund return the loaned security and an alternative security-lending source cannot be found, or if the Hedge Fund is otherwise unable to borrow securities that are necessary to hedge its positions. Also, buying securities to close out a short position can itself cause the security’s price to rise further, thereby exacerbating the loss. The extent to which the Hedge Fund engages in short sales depends upon the Hedge Fund’s investment strategy and all then-existing facts and circumstances. The Hedge Fund does not have a policy that limits the amount of capital that the Hedge Fund can deposit to collateralize individual or aggregate obligations to return borrowed securities sold short.

**Leverage.** The Funds may utilize leverage by borrowing money to buy securities or by using other techniques. Leveraging the Funds creates an opportunity for increased net income or capital appreciation, but, at the same time, also creates special risk considerations. Leverage generally exaggerates the impact on NAV of any increase or decrease in the market value of each Fund’s investments. While the borrowed principal amount underlying any leverage will generally remain fixed for any given time period, each Fund’s assets will likely change in value while borrowed principal amounts remain outstanding. Because any decline in the value of a Fund’s investments will be carried entirely by that Fund’s respective partners (and not by any lender), leverage in a declining market would cause a greater reduction in the value of the Fund’s portfolio investments than if the Fund was not so leveraged. Leveraging will also create Fund interest expenses, which can exceed any investment return received from investing the borrowed funds. To the extent that the investment return received from securities purchased with borrowed funds exceeds the interest expense that a Fund must pay, the Fund’s investment return will be greater than if leverage were not used. Conversely, if the investment return received from the assets acquired with borrowed funds is not sufficient to cover the interest expense and all other leveraging costs, then the Fund’s investment return will be less than if leverage had not been used or that any Fund will use leverage successfully.

In addition to borrowing money, leverage may include, take the form of, or be embedded within buying securities using margin, margined option premiums, repurchase agreements, bank or dealer credit lines, or the notional principal amounts of swap transactions. There can be no assurance that each Fund will successfully maintain adequate financing arrangements under all market circumstances.

Generally, the banks and dealers that provide financing to the Funds can apply discretionary margin, haircut, financing, and valuation policies, or impose other credit limitations or restrictions, whether due to internal bank or dealer policies, internal bank or dealer business conditions, general market circumstances, government regulation, or judicial action. If such policies, limitations, or restrictions are imposed on any Fund, then losses may result from margin calls, lost financing, forced position liquidations at disadvantageous prices, swap and repurchase agreement terminations, and contractual cross-defaults with respect to other banks or dealers or on different credit agreements with the same banks or dealers. Any such adverse consequences may be exacerbated if such policies, limitations, or restrictions are adopted, imposed, or enforced suddenly, and/or during difficult general market conditions, and/or by multiple market participants simultaneously. Any such credit policies, limitations, or restrictions could compel the Funds to liquidate all or part of their portfolios at disadvantageous prices, which could result in Fund equity losses.

**Foreign-Issuer Investments.** The Funds may invest in securities issued by companies that are located outside the United States. Investing in such foreign-issuer securities involves certain considerations and risks that are not typically associated with investing in domestic-issuer securities. These risks may be further increased to the extent that the Funds invest in issuers in emerging markets. Foreign companies are generally not subject to uniform accounting, auditing, financial, legal, and regulatory standards and requirements that are comparable to those applicable to U.S. companies. Less information about foreign companies is publicly available than the published reports, published ratings, and other publicly available about U.S. companies. Additionally, foreign securities markets have substantially less volume than domestic markets, and securities issued by some foreign companies are less liquid and more volatile than securities of comparable U.S. companies. Foreign securities exchanges, markets, brokers, and listed companies may be subject to less government supervision and regulation (and/or less favorable, less impartial, less consistent, and/or less transparent government supervision and regulation) than exists in the U.S. Dividends or interest paid by foreign companies may be subject to foreign withholding and other foreign taxes, which may also apply to capital gains in some countries, and such taxes will decrease the net return on such investments as compared to each Fund's investments in domestic companies. Finally, the possibility of expropriations, confiscatory taxation, political or economic or social instability, unfair or unfavorable treatment, or diplomatic developments could adversely affect Fund assets held in foreign countries.

**Currency Risk.** The Funds may invest Fund assets in instruments quoted or denominated in currencies other than the U.S. dollar or the price of which is determined with reference to currencies other than the U.S. dollar. However, the Funds will value their securities and other assets in U.S. dollars. The Funds may engage in foreign currency transactions. Altimeter may hedge the currency exposure inherent in any Fund's foreign investments. However, to the extent unhedged, or if a hedge proves unsuccessful, then Fund asset values will fluctuate with U.S. dollar exchange rates as well as with the price changes of each Fund's investments as denominated in the applicable foreign currency. Thus, increased U.S. dollar values compared to the other currencies in which the Funds make investments will reduce the impact of increases, and increase the impact of decline, in the values of Fund securities that are denominated in currencies of the foreign markets. Conversely, reduced U.S. dollar values will have the opposite effect on each Fund's non-U.S. dollar securities. Currency exchange rates may fluctuate significantly over short time periods. They are generally determined by supply-and-demand forces in the foreign exchange markets, the relative merits of investments in different countries, interest-rate changes, and other factors. Currency exchange rates can also be significantly affected by intervention from (or non-intervention by) domestic and foreign governments or central banks, or by currency controls or political developments in the United States and abroad.

**Settlement Risk.** U.S. and foreign settlement and clearance procedures and trade regulations also may involve certain risks, such as delayed securities payment or delivery. At times in certain markets, settlements are insufficient for the number of securities transactions or have been adversely affected by the so-called credit crisis and financial-institution failures. These conditions may cause difficulty or greater expense for the Funds when undertaking transactions. If the Funds cannot settle, or are delayed in settling, a securities sale, then they may miss attractive investment opportunities and certain Fund assets may be uninvested without any return for some time period. If a Fund cannot settle or is delayed in settling a securities purchase, then the Fund may lose money if the securities value subsequently declines or, if they have contracted to sell the securities to another party, then the Fund could be liable for any losses incurred. Settlement and clearance procedures in certain foreign markets differ significantly from those used in U.S. markets, and those differences can magnify the settlement and clearance risks described above.

**Trade Errors.** Trade errors can result from a variety of situations, including buying or selling the wrong security or the wrong number of securities; selling a security instead buying it; buying a security instead of selling it; delayed execution leading to a material price changes; delayed execution causing a complete failure to execute a trade because the price moves from the intended level; trades that violate investment restrictions; and allocating a trade to the wrong Fund. Altimeter will endeavor to detect, correct, or mitigate trade errors before settlement or expeditiously after settlement, and Altimeter will evaluate trade errors according to the relevant contractual provisions under the limited partnership agreement and management agreement, including any exculpation provisions to determine whether a particular trade error breaches such agreements and whether one or more Funds may be charged for any associated costs, fees, expenses, or losses. In making that determination, Altimeter will have an actual or potential conflict of interest. Additionally, the Funds may offset any trade errors resulting in a gain with trade errors resulting in a loss. Given the volume, diversity, and complexity of each Fund's transactions, Fund investors should assume that trading errors (and similar errors) are possible and that the Funds will assume the costs, fees, expenses, and losses resulting from such errors in

some circumstances.

**Non-Investment-Grade Securities.** The Funds may invest in non-investment-grade debt securities, which are commonly known as “junk bonds.” Although such securities have higher yields, they also have a high degree of risk. The rating agencies consider non-investment-grade debt securities, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal according to applicable contractual obligations. Generally, such securities involve more credit risk than investment-grade debt securities. Non-investment-grade debt securities in the lowest rating categories typically involve a substantial default risk or may already be in default. Changes in general economic conditions, issuer industry conditions, debt or equity markets, or issuer-specific developments are more likely to cause security-price volatility and to weaken the capacity of the issuers of non-investment-grade debt securities to make principal and interest payments than in the case of higher-grade debt securities. Additionally, the market for lower-grade debt securities may be thinner, less active, and less liquid than for higher-grade debt securities.

**Lending Portfolio Securities.** Altimeter’s public equity investment program includes lending Hedge Fund portfolio securities to third -parties. By doing so, the Hedge Fund attempts to increase income by receiving interest on the loan. The Hedge Fund could experience lending losses if the Hedge Fund’s counter-party to a portfolio loan transaction breaches the lending agreement. If the securities-borrowing counter-party falls into bankruptcy, then the Hedge Fund could experience difficulties, and expenses delays in trying to recover the loaned securities.

**Derivatives Risk.** Altimeter’s public equity investment program includes utilizing derivatives. The Hedge Fund and to a lesser extent the Public SPV may, but is not required to, utilize various investment strategies in an attempt to hedge market risks (such as currency exchange rates and broad or specific equity market movements) or to enhance potential gains. The Hedge Fund’s techniques and instruments may change over time as new instruments and strategies are developed, as regulatory changes occur, or in other circumstances.

While pursuing the Hedge Fund’s investment objective, the Hedge Fund may buy and sell (write) exchange-listed and over-the-counter covered and uncovered put and call options on securities, indices, currencies, other financial instruments, or commodities. Altimeter may cause the Hedge Fund to buy and sell financial or commodities futures contracts and options; or enter into other commodities transactions or other currency transactions, such as forward foreign currency exchange contracts, cross-currency forward contracts, currency futures contracts, currency swaps, or options on currencies or currency futures; or buy or sell instruments that incorporate the characteristics of the foregoing instruments or other esoteric instruments that currently exist or may be developed in the future (all of the foregoing, collectively, “**Derivatives**”). Derivatives may be used to seek protection against possible changes in the market value of the Hedge Fund’s existing or contemplated portfolio securities, which changes may result from securities-markets, exchange-rate, or commodities-market fluctuations; to seek protection for unrealized gains in the value of Hedge Fund portfolio securities; to facilitate selling such securities for investment purposes; or to establish a position in the derivatives markets as a temporary substitute for buying or selling particular securities. Derivatives may also be used to seek financial gain and not for hedging purposes. The Hedge Fund’s ability to utilize Derivatives successfully will depend on Altimeter’s ability to predict pertinent market, interest rate, and currency exchange-rate

movements, which cannot be assured. The Hedge Fund will comply with applicable regulatory requirements when implementing these strategies, techniques, and instruments.

Derivatives involve a number of risks, including possible default by the counter-party to the transaction, illiquidity, and, to the extent Altimeter's view of certain market, interest rate, or currency movements is incorrect, the risk that Derivatives use could result in losses greater than if Derivatives had not been used. Selling (writing) put and call options may result in Hedge Fund portfolio losses, force the Hedge Fund to buy or sell, respectively, portfolio securities at inopportune times or for prices higher than (in the case of purchases due to the exercise of put options) or lower than (in the case of sales due to the exercise of call options) current market values, limit the amount of appreciation the Hedge Fund can realize on investments, or cause the Hedge Fund to hold a security the Hedge Fund might otherwise sell or sell a security the Hedge Fund might otherwise hold.

The seller (writer) of a covered call option (which is when the call -option writer actually holds the underlying security) relinquishes the opportunity during the call option's term for gain on the underlying security above the call option's exercise price. The seller (writer) of an uncovered call option assumes the risk of a theoretically unlimited increase in the security's price, which could result in the writer's inability to discharge its obligation upon any option exercise or a theoretically unlimited loss. This is similar to selling a stock short. A call-option buyer assumes the risk of losing its investment in the call option.

The seller (writer) of a put option assumes the risk of a market-price decline in the underlying security below the put option's exercise price during the put option's term. The seller (writer) of a put option will, upon exercise, be required to buy the security at the option price, which may be significantly higher than the then-current market price. The put-option buyer assumes the risk of losing the entire investment in the put option.

Using options and futures transactions entails certain other risks. Futures markets are highly volatile, and using options and futures may increase the volatility of the value of the Hedge Fund's portfolio investments. In particular, the variable degree of correlation between price movements of options and futures contracts and price movements in the related portfolio position of the Hedge Fund creates the possibility that losses on the derivative instrument may be greater than gains in the value of the Hedge Fund's position. Selling (writing) options could significantly increase the Hedge Fund's portfolio turnover rate and associated brokerage commissions or spreads. In addition, futures and options markets may not be liquid in all circumstances, and certain over-the-counter options may have no markets. As a result, in certain markets, the Hedge Fund might not be able to close out a transaction without incurring substantial losses. Losses resulting from Derivatives use could reduce the value of the Hedge Fund's portfolio investments, and the net result may be less favorable than if the Derivatives had not been utilized. Although using futures and options transactions for hedging is intended to minimize the loss risk due to a decline in the position's value, such transactions can, at the same time, limit any potential gain that might result from an increase in value of such position.

**Illiquid Securities Risk.** The Funds may invest in illiquid securities. Such investments may include securities for which there is not a significant trading market or there is no market at all. Such illiquid investments involve a high degree of business and financial risk, which can result in substantial losses. Liquidating these illiquid securities may not be possible, or may require longer time periods if possible, because of the absence of active or regulated trading markets, and because of the difficulties in accurately determining market values. The prices realized upon reselling illiquid securities could be less than the prices that the Funds originally paid. Further, companies whose securities are not publicly listed may not be subject to the public-disclosure requirements and the other investor-protection requirements that are applicable to issuers of publicly traded securities. Illiquid investments for which a market value is not available or is unreliable will be valued at their fair market value, as determined by Altimeter or its designee.

**Early-Stage Investments.** The Funds may invest in early-stage companies. While early-stage investments may offer the opportunity for significant capital gains, such investments also involve a high degree of business and financial risk that can result in substantial or total losses. Because such early-stage companies have unproven business models that may never scale or otherwise never succeed, they may expose clients to greater risk and lower returns than companies with longer operating histories. Many early-stage portfolio companies will need substantial additional capital to support additional research and development activities, to support expansion, or to achieve or maintain a competitive position. Early-stage portfolio companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing, and service capabilities, and a larger number of qualified managerial and technical personnel.

**Designated Investments.** In accordance with the Hedge Fund's Limited Partnership Agreement and other governing documents, certain investments of the Hedge Fund that are not readily marketable or that becomes not readily marketable, as determined by Altimeter, may be designated as "Designated Investments" and as such will be subject to certain special liquidity restrictions and other special terms. The Hedge Fund may not be able to readily dispose of Designated Investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified or indefinite period of time. Designated Investments and other assets and liabilities for which no market prices are available will be carried on the books of the Hedge Fund at fair market value, as determined in good faith by the General Partner (which may be cost). There is no guarantee that fair market value will represent the value that will be realized by the Hedge Fund on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. A participating partner with an interest in a Designated Investment will not receive any proceeds from such interest until the related Designated Investment has a realization event, which could be a long period after such participating partner withdraws from the Fund. Participating Partners (as defined in the Hedge Fund's Limited Partnership Agreement) will participate only in Designated Investments occurring after the effective date of such Participating Partners' capital contribution and therefore will not participate in appreciation, if any, relating to Designated Investments made prior to such date, including any follow-on investments.

**Information Sources.** Altimeter selects Fund investments based, in part, on information that the various securities issuers file with various government agencies or make directly available to

Altimeter or that Altimeter obtains from other sources. Altimeter is not in a position to confirm the completeness, genuineness, or accuracy of such information, and, in some cases, complete and accurate information is not readily available.

**Inside Information.** Altimeter (through its representatives or otherwise) may receive information that restricts Altimeter's ability to cause the Funds to buy or sell securities of a company for substantial time periods when the Funds otherwise could realize profit or avoid loss. This may adversely affect Fund flexibility with respect to buying or selling securities.

**Execution Failures.** Altimeter's investment strategy may result in trade selections involving securities with insufficient market liquidity, in which case the Funds may be unable to transact at prices or in quantities that Altimeter may deem reasonable for investment under such strategy. In any such case, Altimeter may then select a substitute security that may not meet all of Altimeter's investment criteria, and any such substitution could materially affect overall Fund performance.

**Legal, Tax, and Regulatory Risks.** Legal, tax, and regulatory risks could adversely affect the Funds, Fund portfolio companies, Fund investments, or Fund investors. For example, changes in laws and regulations applicable to carried-interest taxation may result in certain types of investments and/or investment returns receiving different tax treatment, which could then influence Altimeter's decisions regarding the best structure for each Fund's investment profile. If any disputes arise in connection with any Fund investment, then the Fund may have limited legal recourse, and pursuing remedies could require participation in domestic or foreign courts. There can be no assurance that laws, regulations, judicial practices, or due process standards that exist in countries where the Funds invest will adequately protect the Fund or will not adversely affect the Funds or Fund portfolio investments.

**Special Purpose Acquisition Companies (SPACs).** Special purpose acquisition companies, commonly referred to as "SPACs," are publicly traded companies formed for the purpose of raising capital through initial public offerings to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses. Following the acquisition of a target company, a SPAC may exercise some degree of control over the management of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until a target company is acquired or a predetermined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is successfully acquired and the securities of the combined company increased in value relative to the pre-transaction value of the SPAC securities. In the event that a SPAC is unable to locate and acquire a target company by the deadline, the SPAC would typically be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire a target company by the deadline, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the

value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the investor in the SPAC may not be able to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, interests in most SPACs are relatively illiquid and have a concentrated shareholder base that tends to be comprised of institutional investors, including hedge funds (at least at inception). The Hedge Fund has invested, and may continue to invest, in SPACs that, at the time of investment, have not selected or approached any prospective target businesses with respect to a business combination, including SPACs that are sponsored by affiliates of the General Partner. An investment in a SPAC may occur in different manners, including prior to, at or after the SPAC's initial public offering, and may be in securities issued by the SPAC that are different than securities issued in its initial public offering, including on a forward purchase basis or in a private transaction. In addition, the Hedge Fund may invest in vehicles acting as the sponsors of SPACs in exchange for an interest in the SPAC that will only have value to the extent that a transaction is consummated by the SPAC and the Hedge Fund continues to hold interests in the combined company thereafter. There may be limited basis for the Hedge Fund to evaluate the possible merits or risks of such SPAC's investment in any particular target business or the track record of its management team. To the extent that a SPAC completes a business combination, it will be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

An investment by the Hedge Fund in a SPAC that is sponsored by the General Partner or its affiliates creates a conflict of interest. Similarly, an investment by the Hedge Fund in an "Access Vehicle" (*i.e.*, a vehicle that invests in a single thesis, such as a single company or security) that charges the Fund a management fee and/or a performance fee creates a conflict of interest. Altimeter is required to follow procedures set forth in the Hedge Fund's Limited Partnership Agreement under certain circumstances prior to causing the Fund to invest in a SPAC or an Access Vehicle that is sponsored by the General Partner or any of its affiliates or in an Access Vehicle that charges the Fund a management fee and/or a performance fee that is not offset on a dollar-for-dollar basis on amounts due to the General Partner or Altimeter from participating Limited Partners.

**Exerting Influence on Portfolio Companies.** Altimeter may from time to time engage in actions that have the purpose or effect of influencing one or more of the Funds' portfolio companies.

The size of a Fund's holdings in a particular issuer, or contractual rights obtained by the Fund connection with an investment, may from time to time enable the Fund to designate one or more directors to serve on the boards (or comparable governing bodies) of one or more of such companies. While such representation may enhance a Fund's ability to manage its investments, it may also have the effect of impairing the ability of the Fund to sell the related securities when, and upon the terms, it might otherwise desire, as it may subject the Fund to legal claims it would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other board-related claims. The applicable Fund will indemnify the General Partner,

Altimeter or any person designated by the General Partner or Altimeter for claims arising from such board representation. The applicable Fund will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its voting or contractual rights, but changes in circumstances could produce adverse consequences in particular situations.

In addition, in certain circumstances, a Fund may have controlling interests in and/or the ability to significantly influence the Fund a company or investment. The exercise of control of, or significant influence over, a company or investment may cause such Fund to be restricted from selling all or a portion of its stake in such company or investment in the amounts and at the times Altimeter desires to sell such stake. This could result in losses to the Fund. Such exercise of control over the Fund may also impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund might suffer a significant loss.

**Terrorism.** Terrorist attacks in the United States and abroad and the “war on terrorism” have had and continue to have a disruptive effect on the securities markets and the U.S. and worldwide economies. Altimeter does not know how long the securities markets and economies will continue to be affected by these events and cannot predict the effects of similar events in the future on the U.S. and other economies or the investments in the Funds’ portfolios or the potential for success of the Funds.

**Pandemics and Contagious Diseases.** The Funds could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises, including the current COVID-19 pandemic. As further described below, public health crises such as the COVID-19 pandemic, together with any containment or other remedial measures undertaken or imposed, could have a material and adverse effect on the Fund and its investments, including by disrupting or otherwise materially adversely affecting the human capital, business operations or financial resources of Altimeter, the Funds, the Administrator and/or other service providers and counterparties as well as exchanges, clearinghouses and other market participants and severely disrupting global, national and/or regional economies and financial markets and precipitating an economic downturn or recession that could materially adversely affect the value and performance of the Fund and its investments. For example, the COVID-19 pandemic has already led to extreme volatility in the financial markets (including several brief automatic trading halts on U.S. stock exchanges). Public health crises and efforts to address them may result in any or all of the following (and, in the case of the COVID-19 pandemic, have resulted in certain of the following): (i) the closure of Altimeter’s offices or other businesses, including office buildings, factories, retail stores, distribution channels and other commercial venues, (ii) workforce, trade or travel disruptions or restrictions negatively impacting Altimeter’s operations, (iii) a greater susceptibility to cybersecurity incidents, (iv) the institution of short sale or other trading bans or limitations, or increased reporting relating to such trading, in a number of markets or the closure of certain exchanges or trading venues, or (v) a reduction in the availability, and/or adverse changes in the terms, of capital financing available to the Funds. Any of the foregoing could have a material adverse impact on the Funds, including the Funds’ investments and the Funds’ ability to continue

to operate certain investment strategies. In addition, public health crises such as the COVID-19 pandemic and related containment efforts may adversely affect the ability, or the willingness, of a party to perform its obligations under its contracts and lead to uncertainty over whether such failure to perform (or delay in performing) might be excused under so called “material adverse change,” force majeure and similar provisions in such contracts. As a result, (i) counterparties and service providers to the Funds or Altimeter may fail to perform (or delay the performance of) their obligations, (ii) pending transactions may not close or settle on time or at all, (iii) the Funds or Altimeter may be forced to breach (or may determine not to perform obligations under) certain agreements, and (iv) related litigation may ensue. Any of these occurrences could have a material adverse effect on the Funds and their investments. The extent of the impact of COVID-19 (or any similar health crisis) on the Funds and their investments will depend largely on future developments, including the severity, duration and spread of the outbreak throughout the world and the effect on the global economy and the markets in which the Funds invest, all of which are highly uncertain and cannot be predicted, but their impact may be material.

**Momentum Investing; Online Investor Forums.** Momentum investing by groups of individual retail investors and/or investment professionals could adversely impact the value of one or more of the Hedge Fund’s holdings. In 2020 and early 2021, retail investors’ participation in U.S. equity order flows significantly increased as a result of numerous factors, including lockdowns during the COVID-19 pandemic, receipt of policy stimulus checks, low interest rates, and a proliferation of trading apps that allow smartphone users to buy or sell stocks for little or no fees.

The impact of retail participation in the stock market is compounded by several factors. First, many retail investors buy and sell options on stocks and/or use margin made available by retail trading platforms, which has the effect of leverage and increases the volatility of the stock prices when trading occurs in large aggregate volumes. Second, online discussions about stocks on social media platforms such as Reddit, Twitter and Facebook have served as a venue for retail traders and analysts to collaborate and form collective views about specific issuers and trading, resulting in significant share price volatility that is not based on fundamental research or traditional valuation metrics. This momentum trading has been disruptive to traditional market operations (including market participants, such as brokers that may be required by clearing and settlement companies to post additional capital to settle trades) and is contrary to investments driven by fundamental research and valuation metrics generally and has significantly affected the trading prices of stocks of several companies in early 2021, most notably, Gamestop and AMC. Moreover, these forums appear to be gaining influence among retail traders, leading to a greater likelihood that additional securities in the future will be the subject of collective momentum trading based on the populist consensus in the forums. A portion of such trading appears to have an “anti-Wall Street” sentiment pursuant to which investors take contrary positions to those of asset managers often in an attempt to cause a “short-squeeze.” A short-squeeze occurs when a stock price jumps sharply higher, forcing investors that had bet that its price would fall by holding a short position, to buy it long in order to forestall even greater losses. A market requirement that short sellers must post additional capital to cover the declining value of their short positions or to close out their short positions by buying such securities long adds to the upward momentum of the stock’s price. In turn, this may lead to investors (including retail momentum traders collaborating on social media platforms) to continue to buy the stock long, further increasing the price of the stock while open short positions

further decline in value. “Anti-Wall Street” and contrarian investors attempt to anticipate a short squeeze and buy stocks that demonstrate a strong short interest. However, there is no way to predict what issuers, if any, will become the subject of such trading. Third, the impact of such retail participation may or may not also be accompanied by participation by investment professionals, further increasing the effect of such trading.

The share price swings resulting from retail momentum trading have caused, and could continue to cause, losses to longer-term and fundamental investors as well as investors that trade stocks based on historic market patterns or behavior, including the Hedge Fund. The Hedge Fund could suffer substantial losses if it is short a stock that is the subject of retail momentum trading, as in the case of a short squeeze. Additionally, because these retail momentum trading patterns are not based on fundamental analysis or traditional valuation metrics, the Hedge Fund could suffer losses on long positions it holds as a result of momentum driven sales. More generally, the significant volatility resulting from these retail trading platforms could cause uncertainty and disruption in the markets that impairs the Hedge Fund’s ability to execute its investment strategy and limits the effectiveness of the Hedge Fund’s trading strategies or results in losses to the Hedge Fund and its investors.

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

There have been no legal or disciplinary events related to Altimeter or Altimeter’s management persons.

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

Altimeter and Altimeter General Partner, LLC, an Altimeter affiliate, currently rely on exemptions from registration as a commodity pool operator pursuant to CFTC Regulation 4.13(a)(3), which exempts them from registration as a commodity pool operator with the CFTC.

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

Altimeter and its management persons are, and may in the future be again, controlling person of the sponsors of SPACs (“Altimeter Sponsors”), as a result of which such Altimeter Sponsors are, and would be, deemed affiliates of Altimeter. Until the closing of a SPAC’s initial public offering, it is possible that an Altimeter Sponsor would own all of the outstanding shares of the SPAC, and even after an initial public offering, an Altimeter Sponsor would be entitled to elect the members on the SPAC’s board until such time as the SPAC engages in its initial business combination. As a result, such SPAC would similarly be deemed an affiliate of Altimeter. Furthermore, Mr. Gerstner and other employees of Altimeter serve, and may in the future continue to serve, on the boards of such SPACs. Altimeter is conflicted in causing the Funds to make investments in such SPACs due to the disproportionate profits that may potentially accrue to the Altimeter Sponsor as a result of its ownership of the SPACs’ shares. Additionally, the Funds and their investors could be perceived as paying “dual fees” to Altimeter and its affiliates in connection with a Fund’s

investment in such SPACs because: (i) the Altimeter Sponsor owns shares, which will benefit the Altimeter Sponsor, and any then-outstanding shares of the SPAC will dilute any ultimate Partnership investment gains attributable to the Fund's investment in the SPAC and (ii) the Fund is also directly paying the Management Fee and Performance Allocation to Altimeter and General Partner, respectively, for any ultimate investment gains attributable to the Fund's investment in the SPAC.

Allocation of SPAC investments, including investments in securities of SPACs sponsored by Altimeter Sponsors, are subject to certain other enhanced risks and conflicts. For example, the General Partner and Manager are conflicted in determining whether the Fund participates in privately offered securities of SPACs sponsored by Altimeter Sponsors (e.g., a PIPE investment or forward-purchase agreement, or other similar private placement). Such investments are desirable for the Altimeter Sponsors because the Altimeter Sponsors stand to benefit substantially if the SPAC is successful. Moreover, the Altimeter Sponsors on the one hand, and the General Partner and Altimeter on the other hand are conflicted in negotiating the pricing of the securities offered by the SPAC. Such negotiations are not at arms-length due to the overlap in personnel and ownership of the Altimeter Sponsors, and the General Partners and Altimeter. In addition, as with other limited investment opportunities, there is no assurance that any opportunity to invest in a privately offered security of a SPAC sponsored by Altimeter Sponsors (e.g., a PIPE investment or forward-purchase agreement, or other similar private placement) will be allocated to the Funds or any of their investors.

## **Item 11 – Ethics Code**

Altimeter has adopted an Ethics Code, which applies to all Altimeter supervised persons, and which describes Altimeter's high standard of business conduct and fiduciary duty to Altimeter's clients. The Ethics Code includes the general principles that Altimeter supervised persons:

- (i) owe a fiduciary obligation to all Altimeter clients;
- (ii) have the duty at all times to place the interests of all Altimeter clients first and foremost;
- (iii) should refrain from taking inappropriate advantage of one's position with Altimeter;
- (iv) should conduct their personal securities transactions in a manner that avoids conflicts of interest, that avoids the appearance of conflicts of interest, and that avoids abuses of their position of trust and responsibility;
- (v) should avoid actions or activities that allow (or appear to allow) them or their immediate families to benefit from their position with Altimeter, at the expense of Altimeter clients, or that bring into question such supervised person's independence or judgment; and
- (vi) must comply with all applicable federal securities laws.

Additionally, the Ethics Code describes standards of conduct and fiduciary duties and limits personal trading by Altimeter employees and their immediate family members. Supervised persons must report every account that they or their immediate family member use for trading securities covered by the policy. If a supervised person directly or indirectly influences or controls trading in the account, then that supervised person must generally pre-clear covered securities transactions and must submit periodic account statements. Additionally, supervised persons are generally prohibited from buying or selling securities in which the Funds are invested. All Altimeter

supervised persons must acknowledge the Ethics Code's terms annually or as amended.

All supervised persons must disclose directorships upon becoming an Altimeter supervised person and must notify the Chief Compliance Officer about any updates in director status in a timely manner. The Chief Compliance Officer must approve of any directorship appointment to a publicly traded company's board. If a supervised person is a director of a publicly traded company, then all trading activity involving that company's securities must be approved by the Chief Compliance Officer.

Supervised persons may also be investors in the Funds and some or all of Altimeter's key personnel may have significant interests in the Funds as investors. A detailed summary of the Ethics Code is available to investors and prospective investors upon request.

## **Item 12 – Brokerage Practices**

As the investment manager of the Funds, Altimeter is authorized to determine the broker that will be used for each securities transaction. In making each investment, Altimeter may have the authority to negotiate the commission rates paid by the Funds. In selecting brokers to execute transactions, Altimeter is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. In selecting brokers, Altimeter will consider the broker's financial stability, reputation, demonstrated execution capacity, proposed commission charges, confidentiality standards, and clearance and settlement capabilities. Additionally, Altimeter has discretion to give consideration to proprietary research services that brokers have provided in the past or may provide in the future and that Altimeter believes will be useful in managing the Funds. Such research services may include supplemental investment research pertaining to particular securities or industries and facilitating meetings with corporate executives or others to obtain oral reports pertaining to company or industry performance. Altimeter is also authorized to direct commissions to certain brokers that may furnish other services to the Funds, the General Partner, and Altimeter, such as seminars, conferences, news and quotation equipment, quantitative analytical software, trading software, and certain other research and brokerage services permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended. As a result of the brokerage practices described above, the commissions paid and the prices paid or received by the Funds in securities transactions may be less favorable than would otherwise be the case.

The Funds, and not Altimeter or the General Partner, pay prime brokerage fees and other fees and expenses to prime brokers and their affiliates. However, none of such fees or expenses are specifically allocable to any capital-introduction services or any related services that prime brokers or their affiliates may provide to Altimeter and the General Partner.

## **Item 13 –Account Reviews**

The Fund portfolio investments are continuously reviewed and evaluated by Altimeter's investment team. Reviews and evaluations consist of ongoing position analysis by the CEO and/or the relevant portfolio managers and the relevant analyst.

Fund books and records are subject to external verification. At the end of each calendar year, each Fund's financial statements are prepared and audited in a manner that conforms to generally accepted accounting principles in the U.S. ("**GAAP**"). Additionally, Fund investors will typically receive unaudited monthly or quarterly statements from the independent third-party administrator's reporting website or by e-mail. Generally, Hedge Fund investors also electronically receive a monthly summary of unaudited fund-level performance, and Venture Capital Fund investors also electronically receive an annual report.

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

Altimeter may agree to pay third-party placement agents that refer investors to a Venture Capital Fund. The compensation typically paid to these placement agents includes a portion of the fixed fee based on the aggregate capital commitments to a Venture Capital Fund. Investors generally are not subject to any incremental fees in connection with the referral. The referral arrangements described above involve potential conflicts of interest because the placement agent may have an incentive to favor sales of interests in a Fund over sales of other investment products for which the agent will receive lower or no fees. Prospective and existing investors should consider this potential conflict of interest when evaluating any recommendation or referral by an agent regarding an investment in a Fund.

#### **Item 15 – Custody**

To perform annual audits, Altimeter has engaged an independent accounting firm that is registered with the Public Company Accounting Oversight Board ("**PCAOB**"). Altimeter distributes audited financial statements prepared in accordance with GAAP to all investors within 120 days of each Fund's fiscal year-end.

Additionally, Altimeter has retained "qualified custodians" (as defined in the Investment Advisers Act of 1940, as amended), which may be a broker-dealer, bank, or other institution, to hold all Fund assets.

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

Altimeter provides investment advisory services to the Funds. However, Hedge Fund investors can elect to not participate in certain private investment opportunities or other illiquid investments, as described in the Hedge Fund's offering documents.

The investment advice that Altimeter provides to each Fund is subject to the direction and control of each affiliated General Partner, as established by the applicable Limited Partnership Agreement.

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

Altimeter intends to vote proxies or similar corporate actions according to management recommendations or otherwise, in each case depending on Altimeter's opinion about each Fund's

best interests with respect to each such vote. In making that determination, Altimeter will consider the factors that Altimeter deems relevant in its sole discretion. Altimeter's proxy voting policy is designed to ensure that, if a material conflict of interest is identified in connection with a particular proxy vote, then the vote is not improperly influenced by the conflict. The Funds have access to, and Fund investors may obtain upon request, Altimeter's complete proxy-voting policies and procedures, as well as information about how Altimeter voted any particular proxies.

## **Item 18 – Financial Information**

Altimeter does not require or solicit pre-payment of any fees six months in advance, and Altimeter does not have any financial condition that would impair Altimeter's ability to meet contractual commitments to clients.