

HMI CAPITAL MANAGEMENT, L.P.
Part 2A of Form ADV: Firm Brochure

555 California Street, Suite 4900
San Francisco, CA 94104

www.hmicapital.com

Telephone: 415.391.9500
Electronic Mail: info@hmicapital.com

March 31, 2021

This brochure provides information about the qualifications and business practices of HMI Capital Management, L.P. If you have any questions about the contents of this brochure, please contact us at 415.391.9500 or info@hmicapital.com. The information in this brochure has not been approved or verified by the Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional Information about HMI Capital Management, L.P. is also available on the SEC's website at www.adviserinfo.sec.gov

MATERIAL CHANGES

Since HMI's March 2020 Form ADV Part 2A annual amendment, HMI Capital Management, L.P. (the entity formerly known as "HMI Capital, LLC" or "HMI") made the following changes:

- With the consent of its limited partners, HMI updated the Limited Partnership Agreements for its three funds, HMI Capital Partners, L.P.; Merckx Capital Partners, L.P.; and HMI Capital Offshore Partners, L.P. (the "Funds" or "Clients") to allow HMI to charge certain additional expenses to the Funds. Additionally, the update to the Limited Partnership Agreements revised the calculation of the Incentive Allocation to take into account unrealized losses from Side Pocket Investments. Please see "Fees and Compensation" section, below, for a further description of these changes.
- Effective January 1, 2021, HMI Capital, LLC, formerly the general partner of the Funds, completed a restructuring, which led to renaming HMI Capital, LLC as HMI Capital Management, L.P., and the formation of a new entity, HMI Capital Fund GP, LLC. Through the restructuring, HMI Capital Fund GP, LLC became the general partner of the Funds. HMI Capital Management, L.P. remains the Investment Manager of the Funds.

In addition to the aforementioned changes, this Firm Brochure contains routine annual updates and certain clarifying changes.

Current and prospective investors are encouraged to review this Brochure carefully and in its entirety.

TABLE OF CONTENTS

ADVISORY BUSINESS	3
FEES AND COMPENSATION	3
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
TYPES OF CLIENTS.....	6
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	7
DISCIPLINARY INFORMATION	9
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	9
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	10
BROKERAGE PRACTICES.....	10
REVIEW OF ACCOUNTS.....	14
CLIENT REFERRALS AND OTHER COMPENSATION	14
CUSTODY	15
INVESTMENT DISCRETION	15
VOTING CLIENT SECURITIES	15
FINANCIAL INFORMATION	15

ADVISORY BUSINESS

HMI Capital Management, L.P. (“HMI” or “we”), a Delaware Limited Partnership, began operations in November 2008. We currently provide discretionary investment advisory services to three private funds: HMI Capital Partners, L.P.; Merckx Capital Partners, L.P.; and HMI Capital Offshore Partners, L.P. (the “Funds” or “Clients”). HMI Capital Partners, L.P. and Merckx Capital Partners, L.P. are Delaware Limited Partnerships. HMI Capital Offshore Partners, L.P. is a Cayman Islands exempted Limited Partnership. HMI Capital Offshore Partners, L.P. is the feeder fund in a master-feeder structure with HMI Capital Partners, L.P. HMI is the investment manager of each of the Funds. As of January 1, 2021, HMI Capital Fund GP, LLC, an affiliate of the registrant, is the general partner of the Funds.

The principal owners of both HMI Capital Management, L.P. and HMI Capital Fund GP, LLC are Marco (“Mick”) Hellman and Justin Nyweide.

Each private fund is managed only in accordance with its own investment objectives and is not tailored to any particular private fund investor (each an “investor”). In managing the Funds, we focus primarily, but not solely, on value investing in public and private equities. However, HMI is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the Funds’ governing documents. Please see “Methods of Analysis, Investment Strategies, and Risk of Loss” section, below, for additional information. HMI’s investments in private companies are limited to those investors who have opted in to HMI’s “side pockets.” Investments held in side pockets cannot exceed 25 percent of each investor’s capital account.

HMI seeks to hold a concentrated portfolio, focused on three industry sectors: Software, Internet and Media, and Financial Services.

The Funds’ investors do not have the right to specify, restrict, or influence the Funds’ investment objectives or any investment or trading decisions. The Funds’ investment objectives and restrictions are contained in their distinct governing documents. HMI tailors its advisory services to the objectives and restrictions set forth in the Funds’ governing documents.

HMI currently provides advice only to the Funds but may, from time to time, serve as the investment manager for additional funds or products, such as co-investment vehicles, which may invest alongside the Funds, and may offer investors in the Funds the opportunity to co-invest with the Funds in particular investments. HMI and its affiliates are not obligated to arrange co-investment opportunities for investors, and no investor will be obligated to participate in such an opportunity. HMI and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular investor and may allocate co-investment opportunities instead to other investors or to third parties. HMI or its affiliates may receive fees and / or incentive allocations from co-investors, which may differ from the fees and / or incentive allocations borne by the Funds. Any co-investment vehicle will only offer investors an opt-in right for single security investments.

We do not participate in wrap fee programs.

As of December 31, 2020, HMI’s total regulatory assets under management were approximately \$4.2 billion. HMI does not manage assets on a non-discretionary basis.

FEES AND COMPENSATION

Management Fees

For the services we provide to each Fund, HMI is generally entitled to receive management fees (assessed as to each limited partner in the Fund) at an annualized rate that is subject to a “step down” based on the aggregate net value of the fee paying assets that we manage firm-wide and that ranges from 0.25% to 1.75% per annum. Management fees are payable in advance at the beginning of each calendar quarter, and the amount of the

management fee assessed as to each limited partner is generally equal to one-fourth the annualized management fee rate times that limited partner's capital account balance as of the first day of that quarter. HMI deducts management fees directly from the Funds' assets. While our management fees are not generally negotiable, we may vary the management fees as to particular limited partners by separate agreement, without notice to the other limited partners. Additionally, certain HMI employees can invest in the Funds, and HMI usually waives management fees and any incentive allocations with respect to such investments. (Employees pay a pro-rata portion of Fund expenses, based on their respective capital account balances.)

Personnel of HMI from time to time serve on the boards of directors or as advisors for public and private companies, including those in which the Funds invest. In the case of HMI investments, HMI personnel are required to return any directors' fees and / or other compensation to HMI. Such compensation will offset the management fees paid by the Funds by the amount of the directors' fees and / or other compensation. In addition, it is HMI's policy to give to the Funds any equity awards, stock options, warrants, or other non-cash compensation received by our personnel in connection with serving on the boards of directors of the companies in which we are invested.

Investors in each Fund should read governing documents for a full description of management fees.

Incentive Allocations

In addition to management fees, limited partners are generally responsible for a special allocation (an "Incentive Allocation") equal to a share of the net profit on non-side pocket-related investments (including both realized and unrealized gains and losses) that would otherwise be allocated to that limited partner in each calendar year, subject to a "modified high water mark" procedure. In the absence of any present or unrecouped losses, our Incentive Allocation ranges from 15% to 17.5% of the annual profits otherwise allocable to each limited partner in a Fund (the "Base Incentive Allocation Rate").

Under the Funds' "modified" high water mark procedure, the General Partner is also entitled to receive Incentive Allocations as to net profits that restore prior net losses. However, the General Partner is only entitled to Incentive Allocations as to such net profits at a reduced rate equal to one-half of the applicable Base Incentive Allocation Rate (the "Reduced Incentive Allocation Rate"). In addition, after a loss year, the General Partner is not entitled to receive Incentive Allocations at the full Base Incentive Allocation Rate until 250% of those net losses are recovered. Until then, the General Partner is only entitled to receive the Reduced Incentive Allocation Rate.

In addition to the "modified" high water mark procedure, any losses from side pocket investments below each investment's value on the date the investment was added to the side pocket are used to reduce the Incentive Allocation paid to the General Partner for that measurement period.

If there are no net profits allocable to a limited partner during a measurement period, or if the net losses from side pockets allocable to that limited partner for a measurement period exceed the total net profits, the unapplied net losses of that limited partner from the side pockets shall be applied to the calculation of the Incentive Allocation in each subsequent measurement period until those side pocket net losses have been fully applied to offset the net profits used to calculate the Incentive Allocation or until the unapplied side pocket net losses have been reversed by side pocket net profits allocable to that limited partner.

Investors should read governing documents for a full description of incentive allocations.

Other Fees and Expenses.

Each Fund generally pays all:

- expenses incurred in connection with the ongoing offer and sale of limited partner interests (including the costs of preparing, reproducing, and disseminating offering materials and supplemental materials used in the offer and sale of limited partner interests);

- brokerage commissions and other costs of executing and settling transactions involving Fund assets (including mark-ups and mark-downs, private placement fees and commissions), including costs and expenses associated with using a service provider unaffiliated with HMI to provide an outsourced trading desk function;
- all Fund bookkeeping and administrative expenses, including the costs of the annual audit and the preparation and distribution of financial, tax and other reports to partners, fees and costs of a third party administrator, and other accounting and legal expenses (including fees paid to HMI's counsel for services that benefit the Fund) and including expenses related to acting as the tax matters partner;
- out-of-pocket research expenses (other than travel expenses) in connection with investments, potential investments and the economy;
- costs and expenses attributable to evaluating, investigating, analyzing, negotiating and acquiring (whether or not transactions are consummated), holding, monitoring, enhancing / protecting the value of and disposing of investments (including, but not limited to, appraisal or valuation fees and expenses, search, consultancy and investment banking fees and expenses);
- expenses relating to meetings and consents of Fund partners;
- insurance policies covering or benefitting the Funds (including cyber insurance and crime insurance);
- indemnification or litigation expenses of the Fund;
- any taxes, fees or other governmental charges levied against the Fund;
- expenses of liquidating the Fund, including all costs associated with the liquidating trust and the liquidator; and
- legal fees and expenses in connection to Fund documentation and amendments.

For some of the expenses described above, HMI advances the cost of the expense for the Funds and requires the Funds to reimburse us.

HMI bears (i) any costs and expenses of providing the Funds with office space, furniture, fixtures, equipment, facilities, supplies and necessary ongoing overhead support services for the Funds' operations; (ii) the compensation of HMI's personnel, including fringe benefits; (iii) any taxes imposed by reason of the management fee paid to HMI; (iv) expenses and costs relating to registration of HMI Capital Management, L.P. as an investment adviser with the U.S. Securities and Exchange Commission and any other applicable regulatory authority; and (v) all other expenses that are not fund expenses described above.

In the ordinary course of business, HMI, the Funds, and any co-investment vehicles receive products and services from third parties (including products and services related to consummated and unconsummated investments and those related to investment sourcing). The costs and expenses of these products and services are sometimes allocable, in whole or in part, between HMI and the Funds or between or among the Funds, and / or co-investment vehicles. HMI seeks to allocate such expenses in the manner prescribed by the Funds' governing documents. In cases where costs and expenses are allocable between or among multiple parties, the allocations are done in a manner that HMI considers to be fair and reasonable, taking into account factors such as the actual or estimated relative benefits of the product or services to each applicable party. This determination of expense allocations could create a conflict of interest or a potential conflict of interest if certain expenses incurred in connection with operation of the Funds also meet the definition of the partnership expenses for which the Funds are responsible. The Funds rely on HMI's determination of the appropriate expense allocations. However, from time to time, it is possible that subsequent review of the allocations could result in identification of expenses that should have been

allocated in a different manner. If this occurs, HMI would take measures to correct such circumstance. If possible, the measure might include a reversal of the original expense allocations, or such other equitable adjustment that HMI believes to be the most appropriate corrective measure. There can be no assurance that allocation errors will not arise or that corrective measures will be possible in all circumstances.

Through HMI Capital Partners, L.P.'s and HMI Capital Offshore Partners, L.P.'s master feeder structure, HMI Capital Offshore Partners, L.P. contributes its investible assets to HMI Capital Partners, L.P., and also participates on a pro rata basis in the profits and losses of the HMI Capital Partners, L.P. HMI Capital Offshore Partners, L.P. bears a pro rata portion of the expenses of HMI Capital Partners, L.P., based on its respective capital account balance in the master fund.

HMI has also entered the Funds into arrangements with securities brokerage firms who provide a variety of services to the Funds, including custodial, clearing and related services. Although the Funds generally do not pay for these services directly, the Funds may be considered to pay for them indirectly through payments to the broker of commissions and other transaction costs and the brokers' ability to earn money on certain balances the Funds maintain with them (subject to laws and regulations governing their activities). See "Brokerage Practices."

Prepayment of Fees. As noted above, management fees are payable quarterly in advance. Fund investors are generally permitted to withdraw capital only at the end of a calendar year, at which time there generally will be no prepaid fees. We are not required to refund any portion of our management fee if a Fund allows an investor to withdraw as of a time other than a calendar year-end. However, we have agreed with the Funds to refund management fees under certain circumstances.

Other Compensation. Neither we nor our personnel accept compensation for the sale of securities or other investment products.

Investors should consult the Funds' governing documents for additional detail on fee and expense arrangements.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

HMI has entered into agreements with each of the Funds with respect to the payment of a portion of the appreciation in the value of investors' investments, as described in "Fees and Compensation" above. HMI does not manage any Funds that do not provide for performance-based incentive allocations. While we have the right to waive incentive allocations and fees as to particular investors in a Fund, investment decisions are made for the entire side pocket and / or Fund as an undivided pool; therefore, we do not believe that any such waiver would give rise to incentives to favor any particular investor over another.

HMI is committed to acting in the best interests of Clients at all times. However, the potential to receive incentive allocations, and the fact that we will not have to refund any such allocations or fees if the Funds later experience losses, may create an incentive for us to make investments that are riskier or more speculative than would otherwise be the case.

TYPES OF CLIENTS

We currently provide investment advice only to the Funds. They are privately offered investment funds that are not regulated under the U.S. Investment Company Act of 1940, as amended, because of Section 3(c)(7) of that act. Each Fund imposes minimum investor qualification standards and minimum investment requirements, subject to HMI's waiver in its sole discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Objectives and Strategies

Established during the 2008 – 2009 global financial crisis, HMI Capital Management, L.P. seeks to invest in the highest-quality businesses when capital markets put pressure on their valuations. Taking a long-term perspective with a strong value orientation, HMI seeks the best opportunities globally, primarily in public and private equities and at times distressed credit. The firm generally holds a concentrated portfolio of approximately 10 – 15 deeply researched names in three distinct industry sectors: Software, Internet and Media, and Financial Services. However, the actual number of positions varies from time to time depending on market conditions and available opportunities. Through this approach, HMI strives to deliver high risk-adjusted real returns over long timeframes with low probability of permanent loss of capital.

Although the majority of HMI's portfolio is invested in public equities, HMI also invests in private companies, initial public offerings, derivatives, and money market instruments. We may also invest in various other types of securities, including, but not limited to, preferred stock, convertible securities, bonds, notes, and warrants. We may also use margin borrowings and other leveraging techniques. There can be no assurance that the Funds' objectives will be satisfied.

Investing in securities involves a risk of loss that investors should be prepared to bear.

Material Risks of Our Strategy

The following is a summary of some of the material risks associated with our investment activities. It does not attempt to describe all of the risks associated with those activities.

Investment Selection; Reliance on Investment Committee. We believe the primary risk of our investment strategy relates to investment selection – the risk that our techniques may, at least over certain periods, result in securities positions that decline in value or do not appreciate as much as alternatives. Our investment advice depends on the ability of our Investment Committee to develop and implement investment strategies to achieve our Clients' investment objectives. Our Clients' investment performance could be materially and adversely affected if any of the members of the Investment Committee were to die, become ill or disabled, or otherwise cease to be involved in active management of the Funds' portfolios.

General Economic and Market Conditions. Our Clients' opportunities and investments may be negatively affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances.

Non-U.S. Investments. We may invest a substantial portion of our Clients' assets in securities of non-U.S. companies and/or securities denominated in currencies other than U.S. dollars. These could include securities issued by companies in, and traded in, so-called "emerging markets." Non-U.S. investing, and investing in emerging markets in particular, will subject our Clients to certain risks not typically associated with investing in securities in the U.S. Non-U.S. markets generally are not as developed or efficient as, and may be more volatile than, U.S. markets. In particular, there is generally less government supervision and regulation of non-U.S. exchanges, brokers and listed companies than there is in the United States. Further, as compared with trading volumes in U.S. markets, trading volumes in non-U.S. markets are usually lower and therefore are characterized by less liquidity and more rapid and erratic price fluctuations. Commissions for trades on non-U.S. stock exchanges are generally higher than negotiated commissions on U.S. exchanges, and custody expenses are generally higher as well. Settlement practices for transactions in non-U.S. markets may involve delays beyond periods customary in the United States, and our Clients may be required to borrow funds or securities to satisfy their obligations arising out of other transactions. In addition, there could be more "failed settlements," which can result in losses to our Clients. Additionally, our Clients' investments may be denominated in non-U.S. currencies. A change in value of any such currency against the U.S. dollar will cause a corresponding change in the U.S. dollar value of our Clients' investments that are

denominated in that currency. Those changes may affect our Clients' income and profitability.

Small Capitalization Stocks. We may invest a portion of our Clients' assets in stocks of companies with relatively small market capitalizations. While we believe these stocks can provide significant potential for appreciation, they can involve higher risks than investments in stocks of larger companies. For example, prices of small-capitalization and even some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. In addition, thin trading in some small-capitalization stocks may make an investment in those stocks less liquid. Rapid sales of small-capitalization stocks could also depress their market value, reducing our Clients' profits, or increasing its losses, in the positions.

Board Participation. Employees of the Adviser occasionally serve as directors of some of the Funds' portfolio companies and, as such, may have duties to persons other than the investing Fund. Although holding board positions may be important to a Fund's investment strategy and may enhance the ability of a Fund to manage investments, director seats may also have the effect of impairing a Fund's ability to sell the related securities when, and upon the terms it may otherwise desire, and may subject the investing Fund and the Adviser's personnel to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. In the event that an employee serving as a director is exposed to material, nonpublic information with respect to a particular company, the Funds may be prohibited for periods of time from purchasing or selling the securities of such company. Such restrictions may have an adverse effect on the value of the investments of the relevant Fund.

Limited Liquidity of Some Investments. HMI invests in private companies and may also invest in other securities that are relatively illiquid. These may include: (i) publicly traded securities for which the market is limited; (ii) publicly traded securities in which our Clients' positions are so large in relation to the trading market that our Clients' liquidity is less than other holders'; (iii) securities that are relatively liquid when acquired but that become illiquid after our Clients invest; (iv) publicly traded securities acquired in private placements or in other circumstances that result in legal or contractual restrictions on our Clients' ability to sell them; and (v) investments for which no liquid trading market exists. We may not be able to liquidate illiquid investments on behalf of our Clients if the need were to arise.

Debt Instruments. Although HMI does not currently hold any debt instruments, we may invest our Clients' assets in debt or other fixed income securities and/or in other debt instruments, such as bank loans. It is likely that many of these debt instruments may be unrated. Whether or not rated, they may have speculative characteristics. Their issuers (borrowers), including sovereign issuers, may face significant ongoing uncertainties and exposure to adverse conditions that may undermine their ability to make timely payment of interest and principal. Debt instruments are dependent on the issuer's ability to pay interest and repay principal in accordance with the instrument's terms and involve major risk exposure to adverse conditions. An economic recession could severely disrupt the market for debt instruments and have an adverse impact on their market value. It is also likely that an economic downturn could adversely affect the ability of the issuers to pay principal and interest when due — *i.e.*, increase the risk of default for such securities.

Valuation of Private Investments. Due to the absence of readily available market valuations for private investments, the valuation is determined in good faith by HMI's valuation committee. HMI's valuation committee meets at least quarterly. The Funds are not required to have such valuations independently determined. However, HMI has engaged a third-party valuation agent to conduct independent valuations of its private investments on at least an annual basis. Despite HMI's efforts to acquire sufficient information to monitor private investments and make well-informed valuation determinations, members of HMI may only be able to obtain limited information at certain times. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation of a private investment requires a significant degree of judgment exercised by HMI. Due to the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Concentration of Investments. In managing our Clients' portfolios, we expect to hold a relatively small number of positions, each representing a relatively large portion of our Clients' capital. Further, a client may at times have a relatively large portion of their capital exposed to a particular industry, market sector, country, or geographic region. Losses in one or more large positions, or a downturn in an industry, market sector or geographic region in which our Clients are concentrated, could materially adversely affect our Clients' performance in a particular period and could have a materially adverse effect on our Clients' overall financial performance.

Side Letters. The Funds have entered into, and may in the future enter into, side letters that establish terms of investment beyond what is included in HMI's standard Limited Partnership Agreements. Such side letters provide certain investors more frequent or detailed reports and other rights.

Cybersecurity Risk. The information and technology systems of HMI and of service providers to HMI and the Funds may be vulnerable to potential damage or interruption. HMI has implemented various measures designed to manage cybersecurity risks. However, the failure of these systems and/or of disaster recovery plans could cause interruptions in the operations of HMI or HMI's Fund accounts and could result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information.

Business Continuity and Disaster Recovery. HMI's business operations may be vulnerable to disruption in the case of catastrophic events such as pandemics, fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although HMI has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on HMI and investments therein.

Work-from-Home Arrangements. In response to the spread of COVID-19, many businesses, including HMI, have encouraged or mandated that their personnel work from home in an effort to help slow the spread of the COVID-19 pandemic. To the extent that personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, HMI may be more vulnerable to cybersecurity incidents and cyber attacks and could potentially have more difficulty resuming normal operations in the event of such an incident or attack.

DISCIPLINARY INFORMATION

We have not been involved in any legal or disciplinary events since our inception that would be material to a client's evaluation of our company or our personnel.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither we, nor any of our employees, are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer, futures commission merchant, or commodity pool operator.

Mr. Marco Hellman serves as a member of the board of directors of Hall Capital Partners, LLC and as a member of the boards of directors of Osterweis Capital Management, Inc. and Osterweis Capital Management, LLC. These three firms are investment advisers registered with the SEC. Hall Capital Partners, LLC may recommend to its Clients investments in the private funds managed by HMI. HMI does not believe that these activities pose a material conflict of interest with Clients.

Mr. Sean Barrett currently serves on the nomination committee of Avanza Bank Holding AB, a current HMI portfolio investment. Mr. Barrett also serves as a board observer for Tink AB, another HMI portfolio investment. HMI does not believe that these positions pose a material conflict of interest with Clients. Further, no compensation is provided for Mr. Barrett's services.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics. We have adopted a Code of Ethics (the “Code”) for the purpose of instructing our personnel about their ethical obligations and to provide rules for their personal securities transactions. The purpose of the Code is to prevent activities that may lead to, or give the appearance of, conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

The Code, along with HMI’s Compliance Manual, cover a range of topics that include: standards of business conduct; prohibitions against insider trading; personal securities transactions; gifts and entertainment; protecting the confidentiality of client information; service as an officer or director; compliance procedures; reporting violations and sanctions; records; and certification procedures, among other topics. We will provide a copy of the Code to any client or prospective client upon request by writing to us at the address on the cover page of this brochure.

Participation or Interest in Client Transactions and Personal Trading. We have adopted a personal investment trading policy based on the following principles: (i) the interest of client accounts will at all times be placed first; (ii) all personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual’s position of trust and responsibility; and (iii) employees must not take inappropriate advantage of their positions. Our personal trading policy requires that every employee must obtain approval from our Compliance Department before acquiring or selling for any personal account any covered security. Moreover, HMI investment team members are generally prohibited from transacting in publicly-traded equities. Additionally, our Compliance Department maintains a “Restricted List” of certain securities. Employees are prohibited from purchasing or selling such securities during any period in which the securities are listed on the Restricted List. Moreover, employees are not permitted to invest in any company, whether or not the issuer of publicly-traded securities, while HMI is invested in such company or when the employee believes there is a reasonable chance we may want to make an investment in that company for a client in the future. We have policies and procedures in place to ensure that our employees are aware of the rules regarding material non-public information and insider trading.

Participation by HMI Personnel in Fund Profits. Certain partners and other employees of HMI are permitted to invest directly in the Funds and will participate in investments, pro rata, in accordance with their capital account balances. In addition, several HMI employees hold interests in the general partner and management company of the Funds and in this manner, share in revenue generated by the Funds (e.g., performance allocation and management fee revenue). Finally, investments in the Funds by HMI employees are generally not subject to the management fees or performance fees incurred by investors in the private funds at the discretion of the general partner.

BROKERAGE PRACTICES

HMI has complete discretion in deciding what brokers, dealers, and other financial intermediaries and counterparties with which to execute or enter into portfolio transactions (collectively, “Transacting Parties”). HMI also has complete discretion to negotiate compensation arrangements and transaction terms with Transacting Parties. These arrangements may include not only paying commissions for transactions effected on any agency basis, but also compensation implicit in prices of transactions directly with Transacting Parties acting as principal (such as market-makers for over-the-counter securities) and dealers in fixed income securities and derivatives. The following describes some noteworthy aspects of HMI’s and the Funds’ use of and relationships with Transacting Parties.

Selection Criteria, Generally

In choosing Transacting Parties, we are not required to consider any particular criteria. We will seek “best execution” of our Clients’ securities transactions. However, what constitutes “best execution” and determining how to achieve it are inherently uncertain. In evaluating whether a Transacting Party will provide best execution, we will consider a range of factors. These include, among others:

- historical net prices (after markups, markdowns and other transaction-related compensation);
- the execution, clearance and settlement and error correction capabilities of the Transacting Party generally and in connection with securities of the type and in the amounts to be bought or sold;
- the Transacting Party's reliability and financial stability;
- the size of the transaction;
- any affiliations between HMI employees to avoid conflicts of interest;
- evaluate written description of the Transacting Parties business continuity and disaster recovery capabilities;
- the market for the security; and,
- as discussed more fully below, the nature, quantity and quality of research and other services and products provided by the Transacting Party.

We are not required to select the Transacting Party that charges the lowest transaction cost, even if that Transacting Party can provide execution quality comparable to other Transacting Parties. Our Clients should expect at times to pay more than the lowest transaction cost available in order to obtain for itself and / or HMI services and products other than the execution of securities transactions. In selecting a Transacting Party, we do not consider whether we receive or might receive client referrals from that Transacting Party.

HMI uses an outsourced broker-dealer firm (the "Outsourced Trader") for its brokerage and execution services. The Outsourced Trader allocates some of HMI's client orders to other brokers, which can result in higher brokerage commissions than if such transactions were placed directly with the brokers. The Outsourced Trader provides HMI with anonymity, the ability to access a variety of market venues, timely execution, and enhanced execution quality, which otherwise may not be available to HMI. Thus, HMI believes that the use of the Outsourced Trader as both executing broker and outsourced execution provider is consistent with its duty of seeking best execution for the Funds. Depending on market conditions, transaction type, and other factors, HMI also places client orders directly with other brokers.

Trade Errors

It is HMI's policy that, absent a violation of HMI's standard of care, all benefits and burdens of a trade error will be borne by the relevant client. If HMI did violate its standard of care, it will promptly reimburse the client for the error. HMI will not directly or indirectly use soft dollars to correct trade errors.

"Soft Dollars"

We may select Transacting Parties in recognition of the value of various services or products, beyond transaction execution, that they provide to our Clients, or to HMI. Selecting a Transacting Party in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars."

Conflict of Interest. If we use "soft dollars" to obtain research or other products and services, we receive a benefit because we do not have to produce or pay for that research or those other products or services using cash from other sources. And, because many products and services that we may receive from Transacting Parties may provide general benefits to us, our interests in allocating our Clients' securities transactional business may conflict with those of our Clients. For example, we may have an incentive, in order to induce brokers and dealers to provide us with

services or benefits to, among other things, cause a client to:

- pay higher commissions and other compensation than it would otherwise pay broker-dealers that do not provide soft dollar services or products;
- place more trades than would be optimal for a client's investment strategy;
- use broker-dealers that do not obtain for a client the best possible price on portfolio transactions; and
- use (and pay) broker-dealers in effect to act as intermediaries with other broker-dealers who actually execute transactions.

The extent of the conflicts of interest arising out of the use of soft dollars depends in large part on the nature and uses of the services and products acquired with soft dollars. We may or may not use other Clients' soft dollars to pay for services and products a client pays for and, if we do, that use may not be in proportion to account size, transaction volume, or uses of those services and products.

"Safe Harbor" under Section 28(e). A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended, recognizes the potential conflict of interest involved in the use by an investment manager (such as HMI) of soft dollars generated by securities transactions to pay for various expenses but provides a "safe harbor" from breach of fiduciary duty claims if certain conditions and requirements are met. Under the Section 28(e) safe harbor, soft dollars may be used to acquire "research" and "brokerage" services and products for which our Clients would not otherwise be required to pay. Services or products generally constitute "research" under Section 28(e) if they constitute advice, analyses or reports any of which express reasoning or knowledge as to the value of investing in or trading securities, or as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent we use them for lawful and appropriate assistance in making investment decisions for our Clients. "Brokerage" services and products are those used to effect portfolio transactions or for functions that are incidental to effecting those transactions (such as clearance, settlement or short-term custody related to effecting clearing or settling transactions) or regulatorily required in connection with transactions. Using soft dollars to pay for services and products other than research and brokerage is not protected by the safe harbor but does not necessarily constitute a violation of any law or fiduciary duty. Similarly, use of non-commission soft dollars or otherwise failing to satisfy procedural elements of the Section 28(e) safe harbor are not protected but are not necessarily prohibited. Nevertheless, we generally intend to use soft dollars only to acquire research and brokerage services within the Section 28(e) "safe harbor." Even where our use of soft dollars to acquire research and brokerage services and products is protected by Section 28(e), we will have a conflict of interest in connection with that use because we might otherwise have to pay cash for those services and products and we may have an incentive to use Transacting Parties who provide those services and products more than we otherwise would.

Procedures. Transacting Parties who provide soft dollar services or products may establish "credits" based on past transactional business, which may be used to pay or reimburse us for specified expenses. In some cases, the process is less formal and a Transacting Party simply may suggest a level of future business that would fully compensate the Transacting Party for services or products it provides. Clients' actual transactional business with a Transacting Party may be less than the suggested level but can — and often will — exceed that level, and credits established may exceed the amounts used to acquire services and products. This may be in part because Clients' investment activities generate aggregate commissions in excess of the levels of future business suggested by all Transacting Parties who provide services and products. And it may be in part because those Transacting Parties may also provide superior execution and may therefore be most appropriate for particular transactions.

For the avoidance of doubt, HMI does not have soft dollar arrangements with any broker-dealers. However, HMI does receive research services, including access to conferences and management team meetings, from various brokers-dealers who execute trades on HMI's behalf, including a broker-dealer who is an affiliate of HMI's fund administrator. As described above, HMI seeks best execution when selecting all broker-dealers, including those who provide research and other services to HMI.

Cross Transactions

We may (but are not obligated to) cause our Clients to effect "cross" transactions (i.e., buy and sell securities from and to each other), subject to applicable law or regulation. We may do so if we believe that the cross transaction will be beneficial to both parties. Certain laws or regulations may prevent us from engaging in "cross" transactions that could be beneficial to our Clients.

Allocation of Investment Opportunities

When allocating investment opportunities, HMI seeks to allocate in a manner that is in the best interest of all Clients. HMI owes each Client a duty of loyalty and a duty to act in the Client's best interests. Accordingly, under no circumstances will HMI intentionally favor one Client over another.

HMI notes that potential or actual conflicts of interest could exist when investment opportunities are allocated between or among the different Funds because (i) HMI unilaterally determines how to allocate any particular investment opportunity between or among the Funds, while Fund investors have no control or influence over such investment allocations; (ii) HMI-related persons, control persons, and other affiliates are also investors in the Funds, with different relative percentage ownership interests among the Funds and different aggregate dollar exposures among the Funds; and (iii) most Fund investors are not affiliated with HMI. Additionally, the percentage of non-fee-paying investors differs across Funds, and the blended Incentive Allocation rate differs slightly across Funds. (Please see "Fees and Compensation" section for range of Incentive Allocation Rates.) HMI has established policies, practices, and procedures to minimize any such potential or actual conflicts of interest.

HMI's purchases of public equities, derivatives, and other instruments are generally allocated pro-rata across the Funds based on each fund's assets under management as of prior month-end. Sales of public equities, derivatives, and other instruments are generally allocated pro-rata based on the percentage of such security held by each Client at the time of the sale. Exceptions to these methodologies are at the discretion of HMI and are generally, but not exclusively, made as a result of deviations from target position sizes as a result of capital inflows and outflows into one Fund and not the other. In such cases, HMI may increase or decrease the amount of securities that would otherwise be allocated to each Client by reallocating the securities in a manner that HMI deems fair and equitable to Clients over time.

HMI allocates purchases of new issue investments pro-rata across all eligible investors in the Funds based on the value of each eligible investor's invested capital at the time of the investment. HMI allocates sales of new issues based on the percentage of the security held by each Fund at the time of the sale. Such sales transactions are then allocated pro-rata across eligible investors.

All investors in HMI Capital Partners, L.P.; Merckx Capital Partners, L.P.; and HMI Capital Offshore Partners, L.P. are also granted the option to participate in private investments made by HMI through HMI's "side pockets." HMI generally allocates private investments pro-rata across the Funds based on each Fund's assets under management as of the beginning of each month. Private investments for each Fund are then allocated to investors in proportion to one's public portfolio participation percentage over the aggregate public portfolio participation percentage of only side pocket participating investors.

Investors may have different exposure to private investments due primarily to (i) differences in the rates of side pocket participation across the Funds (ii) timing of deal closure relative to the timing of (a) each investor's initial and ongoing subscription and redemption activity (b) decision to "opt-in" or "opt-out" to the side pockets, and (iii) instances where an investor has already reached the maximum 25% side pocket capacity. (Please see "Advisory

Services” section, above.)

At its discretion, HMI may also use other private investment allocation methodologies deemed to be fair and equitable to Clients over time. For example, HMI has allocated an add-on private investment solely to recently subscribed investors who did not yet have exposure to the issuer because they subscribed after HMI’s initial investment. Moreover, HMI does not allocate side pocket investments to investors who have previously submitted a 100% withdrawal request.

Aggregation of Trade Orders

We may (but are not required to) combine orders on behalf of our Clients. When we do so, we will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. We believe combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a particular Client than if the Client had been the only person or entity effecting the transaction or had completed its transaction before the other participants. Because we may also have an interest in particular Clients, there may be circumstances in which a Client’s transactions may not, under certain laws and regulations, be combined with those of some of our other Clients, and a Client may obtain less advantageous execution than other Clients.

Directed Brokerage; Introducing Brokerage Relationship

Although we do not have any “directed brokerage” arrangements with our Clients, we obtain custodial, clearing and other services through what is known as an “introducing brokerage” arrangement. By using a brokerage firm for this function, our Clients are able to avoid paying custodial fees that banks charge other institutional investors. Our introducing broker is compensated partially through brokerage commissions. A client might be thought of as “directing” us to place transactions with an introducing broker in order to pay for the custodial and related services the client obtains from the introducing broker.

Our introducing broker provides services to us and / or our affiliates, distinct from the custodial and related services the prime broker provides our clients. These services include, among other things, portfolio management software licenses and support services. These services may be provided at lower than market price for similar services or for no charge. To the extent we or our affiliates receive services from a prime broker at lower than market prices, because we are responsible for selecting the prime broker or negotiating the rates of compensation paid to the prime broker by our clients, conflicts may exist between our interests and those of our clients.

REVIEW OF ACCOUNTS

HMI’s Investment Team reviews each Fund’s portfolio daily as part of its ongoing portfolio management activities. The Operations Team or its designee also conducts daily reviews of each Fund’s portfolio. The Operations Team includes Emily Brakebill, Partner, Chief Operating Officer, Chief Compliance Officer; Jonathan Wu, Partner and Chief Financial Officer; and Lynn Hartman, Compliance and Legal Officer.

The Funds prepare annual financial statements that they cause to be audited by an independent certified public accounting firm and provides those statements to its investors within 120 days of year end. They also currently provide unaudited monthly account statements to investors.

CLIENT REFERRALS AND OTHER COMPENSATION

Other than the previously described products and services that we receive from broker-dealers, we do not receive any other economic benefits from non-Clients in connection with the provision of investment advice to Clients.

We do not directly or indirectly compensate any person for client referrals.

CUSTODY

Although HMI does not maintain physical possession of client assets, HMI is deemed to have custody of client assets and is subject to Rule 206(4)-2 of the Advisers Act (the “Custody Rule”). However, we are not required to comply (or are deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund, because we comply with the provisions of the so-called “Pooled Vehicle Annual Audit Exemption.” In accordance with that exemption, among other things, each Fund is subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and each Fund distributes its audited financial statements to all investors within 120 days after the end of its fiscal year.

INVESTMENT DISCRETION

The Funds’ agreements of limited partnership grant us complete discretion to manage the Funds’ investment portfolios, without any specific limitations other than those described in the Funds’ offering materials. See the description above in “Advisory Business” and “Methods of Analysis, Investment Strategies and Risk of Loss.”

VOTING CLIENT SECURITIES

We have established proxy voting policies and procedures (our “Proxy Voting Policy”) designed to ensure that proxies are voted in the best interests of our Clients. Justin Nyweide has the responsibility for the implementation and monitoring of our Proxy Voting Policy, including outlining our voting guidelines in our procedures. In voting proxies, we may consider the opinion of management and the effect on management, shareholder value and the issuer’s business practices.

We will identify any conflicts that exist between our interests and the interests of our Clients by reviewing our relationship with the issuer of each security to determine if we or any of our employees has any financial, business or personal relationship with the issuer. If a material conflict exists, Mick Hellman and Justin Nyweide will determine whether it is appropriate to disclose the conflict to the affected Clients, to give the Clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means.

As our only current Clients are the Funds, the Funds’ limited partners have no meaningful ability to direct our vote in a particular solicitation.

In addition to proxy voting, we have the authority to direct Client participation in class actions and will determine whether Clients will participate in a recovery achieved through a class action or opt out of the class action and separately pursue their own remedy. Upon receipt of class action information, HMI will evaluate the costs versus the benefits of participation.

Clients may request a copy of our Proxy Voting Policy, as well as relevant proxy voting records, by making a written request to us at the address on the cover page of this brochure.

FINANCIAL INFORMATION

We have never filed for bankruptcy and are not aware of any financial condition that is expected to affect our ability to manage client accounts.