



**BROCHURE**  
**(Form ADV Part 2A)**

**March 30, 2023**

**Makena Capital Management, LLC**  
**2755 Sand Hill Road, Ste. 200**  
**Menlo Park, CA 94025**  
**(650) 926-0510**  
**[www.makenacap.com](http://www.makenacap.com)**

This brochure provides information about the qualifications and business practices of Makena Capital Management, LLC ("Makena"). If you have any questions about the contents of this brochure, please contact Makena at (650) 926-0510. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Makena Capital Management, LLC is a registered investment adviser. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

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

## **ITEM 2. MATERIAL CHANGES**

This Brochure is dated March 30, 2023, and is the annual updating amendment to the prior Brochure dated March 30, 2022. This annual amendment reflects updates to the descriptions of certain business practices of Makena Capital Management, LLC and its affiliates.

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## **ITEM 4. ADVISORY BUSINESS**

### **A. Introduction**

Makena Capital Management, LLC (“Makena,” the “Firm,” “we” or “us”), a Delaware limited liability company and registered investment advisor, provides diversified alternative asset exposure through its range of pooled investment vehicles (the “Funds”). Makena’s goal is to offer alternative investment expertise, scale and access to its diverse client base which includes endowments, foundations, family offices, sovereign wealth funds and international institutions with a focus on preserving and growing perpetual capital. This global investment approach incorporates the full range of asset classes and strategies.

The Firm was founded in 2005 by a team of professionals from the Stanford Management Company, as well as other leading practitioners from North American endowments and foundations. Makena is a privately held firm, a majority of which is owned by the Firm’s partners (the “Managing Directors”). Please refer to Schedule A of Part 1 of Makena’s Form ADV for a list of Makena’s direct owners and executive officers.

Makena’s mission is to help its clients achieve their investment goals by seeking to deliver superior risk-adjusted returns over the long term, or multiple market cycles. This approach is based on investment disciplines pioneered by the leading North American university endowments and foundations. The Firm is positioned to deliver the expertise, operating platform and risk management required to effectively execute this alternative investment focused strategy. Makena’s significant scale, experience and pooled investment structure allow it to provide its clients access to broadly diversified, global investment opportunities that span asset classes and strategies.

### **B. Types of Advisory Services**

Since commencing operations in February 2006, Makena’s primary advisory business has been managing pooled investment vehicles. Makena (or an affiliate) serves as the general partner and/or investment manager of the Funds. In addition, certain special purpose vehicles have been established for a variety of investment, tax and other planning purposes. The Funds generally invest in investment funds or other investment vehicles (collectively, the “Portfolio Funds”) managed by third-party investment managers (the “Portfolio Managers”) and also allocate to Portfolio Managers through separate accounts within the Funds. The Funds are also authorized to and on occasion do purchase certain public securities directly. The Portfolio Funds and Portfolio Managers invest in a wide range of securities and other investments, including (but not limited to) publicly traded securities, securities traded over-the-counter, swaps, investment contracts, options, derivatives, debt instruments, futures, commodities, currencies, real estate, fixed income securities and private or restricted securities.

The Funds are primarily structured as limited partnerships, in which investors are limited partners (each, a “Limited Partner” and collectively, “Limited Partners”) and Makena, or an affiliate, serves as the general partner. The Makena Endowment Portfolio (the “MEP”) is the Firm’s flagship endowment-style offering. The MEP is a globally diversified, multi-asset class portfolio offering the endowment investment model to endowments, foundations, family offices, and other long-term investors around the world.

The MEP’s investments in Portfolio Funds and other Portfolio Manager products that fall within certain asset classes (currently, private equity, venture capital, U.S. real estate, long-short public equities, emerging markets and developed markets) are made through asset class funds (the “Asset Class Master Funds”). Makena’s management of the investment portfolios held through the Asset Class Master Funds is based on the MEP investment program. Makena believes this provides a benefit from the scale of the Makena team and access to bespoke strategies and managers. Further, the Asset Class Master Funds are able to acquire

side pocketed assets from redeeming MEP Limited Partners in order to alter asset allocation and actively manage risks.

In addition to investing in the MEP, third party investors can also invest alongside the MEP in the illiquid Asset Class Master Funds through the “Perpetual Feeder Funds” and in the marketable securities Asset Class Master Funds through the “Marketable Feeder Funds”. Makena is also authorized to form investment vehicles to participate directly in the Asset Class Master Funds (“Permitted Funds”). The Perpetual Feeder Funds and Marketable Feeder Funds along with any other participating Permitted Funds (collectively the “Asset Class Feeder Funds”), participate in the Asset Class Master Funds, generally on a *pro rata, pari passu* basis with the MEP.

On occasion Makena has raised opportunistic funds which are designed to take advantage of a specific market opportunities and to meet existing client demand. And lastly, Makena has formed a small number of separately managed accounts, or “funds of one,” for certain clients seeking sizable exposure, typically to a single asset class.

All governing and organizational documents of the Funds, including the limited partnership agreement, the offering memoranda (or private placement memoranda), the subscription documents and other documents provided to Limited Partners by Makena (collectively, the “Governing Documents”) should be carefully reviewed prior to making an investment.

As of December 31, 2022, Makena had approximately \$23.7 billion of regulatory assets under management (“RAUM”) on a discretionary basis.

### **C. Client Investment Objectives and Restrictions**

Makena provides advisory services to the Funds based upon the criteria set forth in the Governing Documents. Each Fund’s investment strategy and any applicable investment restrictions are set forth in detail in those documents. Because Makena manages these pooled investment vehicles on a fully discretionary basis, individual Limited Partners do not have the ability to impose restrictions on Makena’s investments in certain securities or types of securities.

### **D. Wrap-Fee Programs**

Not applicable to Makena.

### **E. Assets under Management**

As of December 31, 2022, Makena had approximately \$22 billion of assets under management (“AUM”) on a discretionary basis. This AUM number differs from the RAUM number shown above (and on Form ADV Part 1, Item 5) primarily due to how liabilities are treated in calculating RAUM and the fact that the RAUM figure includes unfunded Limited Partner commitments in certain of the Asset Class Feeder Funds.

## **ITEM 5. FEES AND COMPENSATION**

### **A. Advisory Fees and Compensation**

All Limited Partners in the Funds are “qualified purchasers” under the Investment Company Act of 1940. Detailed information with respect to how Makena is compensated for the advisory services is contained in the Governing Documents for the Funds, which should be reviewed carefully prior to making an investment in the Funds.

Each of the Funds (and therefore each of the Limited Partners in the Funds) pays to Makena a management fee based on a percentage of the value of the securities owned by each Fund. Although the Governing Documents authorize Makena to alter, reduce or waive the standard management and other fees (including performance-based fees or allocations) set forth in the Governing Documents, Makena has never agreed to non-standard fees with respect to investments in the MEP. Makena does allow current Makena employees who are authorized to invest in the Funds to do so on a fee-free basis. Makena has agreed, and may in the future agree, to non-standard management and performance-based fees for certain Limited Partners in the Asset Class Feeder Funds, and in determining a Limited Partner's fees with respect to the Asset Class Feeder Funds, Makena may take into account such Limited Partner's investment in the MEP.

## **B. Payment of Fees**

Pursuant to the terms of the various Governing Documents of the Funds, Makena deducts management fees from the Funds' assets on a quarterly basis, in advance, and Limited Partners' capital accounts in the Funds are reduced accordingly. Similarly, if and when due in accordance with the terms of any of the Funds' Governing Documents, a performance-based fee or incentive allocation will be deducted from the Limited Partners' capital accounts in the Funds and reallocated to Makena's capital account (or the capital account of an affiliate of Makena).

## **C. Other Client Fees and Expenses**

The Governing Documents for each Fund set forth the fees and expenses related to the Funds, including specific allocation of those different fees and expenses between Makena and the Funds (and therefore, the Limited Partners). Prospective Limited Partners should carefully review those documents prior to making an investment in the Funds. In the case of the MEP, the Governing Documents provide that the Funds will bear all reasonable expenses of operations other than the expenses directly borne by Makena (as specified below). Expenses borne by the MEP include cost, fees and expenses of any bank, custodian, depository, valuation agent or other similar provider; audit, accounting, tax preparation, legal, bookkeeping, and other similar third party fees, costs and expenses; all expenses incurred in connection with the registration of the securities of its master-feeder funds under applicable securities laws or regulations; expenses incurred by Makena in serving as the "partnership representative"; all expenses incurred in connection with travel for investment related purposes; the cost of premiums for any insurance policies covering any person individually against all claims and liabilities of every nature arising by reason of such person being, or having been, or agreed to be an indemnified person; all out-of-pocket expenses of preparing and distributing reports to its Limited Partners; out-of-pocket costs associated with MEP meetings, meetings of the Board of Directors and annual investor meetings; all legal fees and expenses relating to its master-feeder funds and their activities; all costs and expenses arising out of litigation and the feeder funds' indemnification obligations (including pursuant to the MEP Limited Partnership Agreements); and all expenses that are not normal operating expenses.

Makena (or its designee) shall provide certain management and administrative services to the MEP. Makena shall bear all normal operating expenses incurred in connection with the management of the MEP, including expenditures on account of salaries, wages, travel (except travel for investment related purposes), entertainment, other expenses of Makena's managers and employees, and rentals payable for space used by Makena or the MEP.

Expenses related to the Asset Class Feeder Funds will be borne by such Funds and are similar to those listed above. However, Limited Partners should refer to the Governing Documents of the Asset Class Feeder Funds as there are differences.

Please see also Item 12 below, which discusses Makena's brokerage practices.

**D. Advance Payment of Fees**

Pursuant to the Governing Documents, management fees are payable quarterly in advance. In the event that a Limited Partner in one of the Funds were to withdraw capital before the end of a period for which fees were prepaid, Makena would refund a pro rata portion of such prepaid fees to the Limited Partner.

**E. Compensation and Commissions**

Not applicable to Makena.

**ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE COMPENSATION**

In general, the terms of the various Governing Documents authorize Makena (or its affiliates) to earn performance-based compensation upon the achievement of certain specified investment return thresholds.

Performance-based compensation creates a potential conflict of interest in that it could provide an incentive for Makena to make more speculative investments than it might otherwise make. While this potential conflict is inherent in incentive-based compensation tied to returns, Makena generally believes that performance-based compensation arrangements better align its interests with those of the Limited Partners in the Funds and further addresses this risk by maintaining a core focus on asset allocation, investment diversification and risk management, as well as a core focus on Portfolio Manager selection and portfolio construction in the Funds.

To the extent the performance-based fees or asset-based fees payable to Makena or its affiliates by one or more Funds are higher or more likely than for other Funds, Makena has an incentive to allocate investment opportunities to the Funds with more attractive fee arrangements or to devote more resources to managing such Fund's investments. Makena manages such potential conflict by investing in most Portfolio Funds via the Asset Class Master Funds, which generally results in the MEP and the relevant Asset Class Feeder Fund automatically owning a pro rata share of each such investment.

As noted in Item 4 above, the Portfolio Managers are responsible for the day-to-day management of the assets of the Portfolio Funds, accounts and other vehicles that such Portfolio Managers advise. The Portfolio Managers are also generally eligible to earn performance-based fees which result in potential conflicts of interest similar to those described for Makena.

**ITEM 7. TYPES OF CLIENTS**

Makena solely provides investment advisory services for compensation to the Funds, which generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws. Limited Partners in the Funds must be sophisticated in financial matters and be qualified purchasers under the Investment Company Act of 1940. In general, the Limited Partners in the Funds include endowments and foundations, family offices, high net worth individuals, sovereign wealth funds and global investment institutions.

Prospective Limited Partners should note that the Governing Documents indicate that Makena generally requires certain minimum initial investment and capital commitment amounts for Limited Partners in the Funds. The initial investment and capital commitment minimums for the Funds are subject to reduction or waiver – and on occasion have been reduced or waived, including for clients of certain third-party investment advisers – at the discretion of Makena.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

The following is a summary of the methods of analysis used by Makena, as well as our investment strategy and some of the significant risks involved in investing in the Funds. Limited Partners should carefully review the Governing Documents for a more complete review of these issues.

#### **1. Manager Selection & Monitoring**

Makena's manager selection process is driven by bottoms-up research combined with an assessment of the opportunity set. Typically, the first filter for consideration is Makena's global network of investment managers and professionals. Our investment team has extensive experience in selecting and investing in top-tier investment managers and leverages its extensive network when seeking out and performing diligence on candidate managers to fill a particular role in the MEP's portfolio, including managers in the Asset Class Master Funds.

While the majority of the MEP's Portfolio Managers represent firms and/or investment principals with whom we have had significant past relationships, new manager ideas are also sourced via research trips and introductions through our investment network. Those investment managers and ideas that pass through the initial screen are then put through an extensive due diligence process, which is conducted by the asset class team.

#### **2. Asset Allocation, Risk & Liquidity**

The MEP's investment asset allocation is designed to achieve the Fund's investment objectives and is intended to reflect a proper balance of the MEP's return goals, risk tolerance, and liquidity requirements. Makena actively measures and manages market, liquidity, and idiosyncratic risks in the Fund to allow us to achieve our long-term goals. Market risk can be reduced through diversification, but the MEP will always have exposure to short-term equity volatility. Over time, we target a market risk that is consistent with a 60/40 global stock-bond portfolio.

Liquidity risk is introduced by our allocation to illiquid and semi-liquid investments in the MEP. Measuring and managing this risk requires sufficient liquidity to meet the MEP's annual 5% dividend, unfunded commitments, and any rebalancing needs. This is accomplished by carefully managing unfunded commitments, maintaining liquid cash and bonds, and managing the liquidity in our public investments. Idiosyncratic risks include the risks from investing with Portfolio Managers (e.g., operational risks) and outsized exposures to sectors, geographies, and currencies. These risks are managed through diversification, operational due diligence, and hedging outsized exposures.

In addition to managing these short-term risks introduced by market volatility, we define long-term risk as the probability that the real value of the portfolio is lower in the long run. There is a natural tension between short and long-term risks. For example, we could eliminate short-term market risk by investing 100% of the portfolio in treasury bills. However, this allocation would increase the portfolio's long-term risk given the near certainty that the real value of the portfolio will be lower in the long run (e.g., after 10 years). The MEP's structure affords that it may incur risks consistent with the pursuit of its long-term objectives. However, MEP assets should be deployed in a manner that minimizes the likelihood that the Fund will suffer permanent loss of capital. Based on historical returns, a substantial allocation to equities and assets with a similar profile is required to support spending requirements by certain Limited Partners, while preserving or enhancing the Fund's real value. The higher the allocation to equities the greater the likely volatility of the Fund and the potential for short-term periods of diminished value. However, the asset allocation aims to mitigate some volatility by making strategic allocations to asset classes whose returns have historically been less correlated to equities (i.e., through diversification).



The 60/40 target stock-bond mix allows us to balance short and long-term risks; surviving the short-term volatility while still having a reasonable level of long-term risk. We diversify beyond a traditional 60/40 portfolio, to further reduce our long-term risk, by investing in private investments and real assets. We believe the MEP is a balanced portfolio, with allocations to equity investments (public and private) to allow the portfolio to capitalize on long-term economic growth, real assets to provide protection against long-term inflation risk and fixed income, cash and diversifying hedge funds to help protect against long-term deflation risk. While the actual investment allocation of the MEP will differ from a 60/40 stock-bond mix at any point in time, we seek to maintain a level of short-term market risk that is consistent with this 60/40 portfolio.

### **3. Long-Term Horizon**

The MEP invests capital with a forward-looking time horizon of at least three to five years. Makena believes this orientation allows its investment professionals to maximize benefits only available to long-term Limited Partners; such a time horizon supports contrarian views and value-driven approaches to current market sentiment. Through such strategies, Makena believes the portfolio is well positioned to capture illiquidity premiums and avoid the pitfalls of short-term market greed/fear cycles. This long investment horizon also permits Makena to invest in longer-duration assets such as private equity, private real estate, and private natural resources as part of its asset mix, which we believe to be sources of diversification and superior return generation.

### **4. Manager Diversification**

Diversification is another key tenet of the endowment model, and therefore, of the MEP's strategy. Makena has built a portfolio diversified across asset classes, vintage years, geographies, sectors, styles, and sources of alpha. Makena aims to concentrate liquidity in assets with low volatility and low correlation to the equity-oriented portion of the portfolio (such as fixed income). A highly liquid allocation to "diversifying" assets allows Makena to rebalance out of these safer investments into equity investments after a large market drawdown.

Makena also invests with an appreciation for the limits to diversification. Given the scarcity of manager skill (and therefore the limited potential for capturing alpha), excessive diversification can dilute the advantages of Makena's manager access and impede Makena's ability to source and research skilled investment managers. Makena seeks to balance the benefits of diversification with the belief that concentrating capital with high-conviction and hard-to-access managers allows the MEP to outperform the market benchmark over the long term.

### **5. Leverage & Derivatives**

The MEP employs leverage and derivative securities, both directly and within Funds, only to the extent that the aggregate risk of the Fund is not increased beyond risk-equivalent benchmarks (*i.e.*, the Global 60/40). Makena defines leverage as a strategy that increases expected return by raising exposure to and risk of a given investment. The most direct form of leverage is borrowing but many other strategies, structures, funds, and derivative securities produce similar results and therefore imply leverage. Examples of derivative securities that may be used in managing the MEP are equity, credit, and currency-related swaps, futures, and forward contracts.

### **6. Rebalancing**

The MEP will be rebalanced using liquid holdings and private investment cash flows to ensure that the actual portfolio asset allocation and risk profile do not deviate materially from target levels. Makena assesses the need to rebalance on frequently (at least monthly) but is authorized to also decide to rebalance at other times based on market volatility or other movements within the Fund.

## **B. Material Risks of Investment Strategies and Methods of Analysis**

The Funds' primary objective is to generate consistent returns while attempting to minimize risk generally associated with its return goals. The following is a summary of certain principal risks involved with Makena's investment strategy and its methods, described in Item 4 and Item 8.A above. The list below does not attempt to describe every possible principal risk associated with investing in Makena's Funds. For a complete description of the risks involved in a particular strategy, please refer to the Governing Documents which contain additional disclosure of risks. Each Limited Partner in the Funds is provided with such risk disclosures in the Governing Documents for any such relevant Fund.

### **RISKS ASSOCIATED WITH THE FUNDS**

#### **Multiple Levels of Fees and Expenses**

Although in most cases the Portfolio Funds and other securities in which the Funds invest are difficult for Limited Partners to access directly, a Limited Partner who meets the conditions imposed by, and has access to, such securities may be able to invest directly in such securities. By investing in the Portfolio Funds indirectly through the Funds, a Limited Partner will be charged fees by both the Portfolio Funds and the Funds. In addition to bearing fees at two levels, a Limited Partner in a Fund bears its share of the transaction related expenses and other operating costs of both such Fund and the underlying Portfolio Funds.

Even if the Funds' overall performance is negative, a Portfolio Fund may still have a positive performance, and thus the Fund would be charged an incentive fee. In addition, if performance of a Portfolio Fund falls, its expenses would increase as a percentage of gross returns, which could result in disproportional decreases in the Funds' performance. In addition, transaction expenses will be incurred by the Portfolio Funds, which would be charged, indirectly, to the Funds' Limited Partners.

#### **Valuation of Investments**

The valuation of the Funds' investments in Portfolio Funds (which represent most of Makena's investment holdings) is ordinarily determined based upon the most recent valuation provided by the Portfolio Managers. Certain securities in which the Portfolio Funds invest will not have a readily ascertainable market price and will be valued by the Portfolio Managers of the Portfolio Funds or their administrators. In this regard, a Portfolio Manager faces a conflict of interest in valuing the securities, as their value will affect the Portfolio Manager's compensation, both with respect to fixed asset-based fees, as well as performance-based fees and allocations. Such compensation may be based on calculations of realized and unrealized gains made by the Portfolio Manager without independent oversight. Although Makena reviews the valuation procedures used by all Portfolio Managers, Makena cannot confirm or review the accuracy of all valuations provided by Portfolio Managers or their administrators.

Makena also faces a conflict of interest in valuing the Funds' investments in Portfolio Funds and other assets and liabilities, as the value determines Makena's fixed asset-based fee and its performance-based fee and allocation.

Valuations are also used in determining the relative capital ownership of the Limited Partners in the Funds. To the extent the values of the assets are determined inaccurately, Limited Partners would be adversely affected in connection with the contribution of additional capital to, or the withdrawal or distribution of capital from, the Funds. If Funds assets and liabilities are valued inaccurately, Limited Partners' investment and other financial decisions would be adversely impacted.

**Interim Period Information; Estimates**

The changes in relative capital ownership of Limited Partners in the MEP and relative ownership of the MEP, the Asset Class Feeder Funds and other Permitted Funds in the Asset Class Master Funds at times occur on dates other than the dates of the annual audit of the MEP, the Asset Class Feeder Funds, the Asset Class Master Funds and the Portfolio Funds. Accordingly, certain computations of the net asset values of the MEP, the Asset Class Feeder Funds, the Asset Class Master Funds and the Portfolio Funds and determinations of relative ownership percentages may be based upon unaudited information received from the Portfolio Managers, or otherwise estimated by the General Partner. In addition, Makena will provide interim reporting to Limited Partners on the performance of the Funds which is based on unaudited information or estimates. No net capital appreciation or net capital depreciation figure can be considered final until the annual audits are complete.

**Diverse Limited Partner Base**

Limited Partners in the Funds include U.S. taxable and tax-exempt entities, and entities organized in jurisdictions outside of the United States. Such Limited Partners have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the Limited Partners may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. Therefore, conflicts of interest are expected to arise in connection with decisions made by Makena or its affiliates, including with respect to the nature or structuring of investments, that would be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to Limited Partners' individual tax situations. In selecting and structuring investments appropriate for a Fund, Makena and its affiliates will consider the investment and tax objectives of the applicable Fund and the Limited Partners, not the investment, tax or other objectives of any Limited Partner individually.

**Conflicts Related to Multiple Portfolio Managers**

Because the Funds invest with Portfolio Managers who make their trading decisions independently, some Portfolio Managers may take positions that are opposite of positions taken by other Portfolio Managers or Portfolio Managers may compete for similar positions. Also, individual Portfolio Managers may take positions for its other clients that are opposite to, or constructed differently than, positions taken for the Funds.

**Access to Information and Control of Portfolio Managers**

Makena requests information from each Portfolio Manager regarding the Portfolio Manager's historical performance and investment strategy. Makena also requests detailed portfolio information on a continuing basis from each Portfolio Manager retained on behalf of the Funds. However, Makena may not always be provided with such information because certain of this information is considered proprietary information by the Portfolio Manager. This lack of access to information would make it more difficult for Makena to select, allocate among, and evaluate Portfolio Managers.

In addition, the Funds do not control any of the Portfolio Managers, their choice of investments, or any other investment decisions. The investments of a Fund will always be made pursuant to written disclosures from, and/or agreements with, a Portfolio Manager that will provide, among other things, guidelines by which the Portfolio Manager will make its investment decisions. However, while each Portfolio Manager undertakes to follow specified investment programs, it is possible that a Portfolio Manager could deviate from such program, and such deviation could result in a loss of all or part of the investment.

**Performance-Based Compensation Arrangements with Portfolio Managers**

In infrequent cases, Portfolio Managers who are to be compensated based on the appreciation in value of an account would be paid a fee based on appreciation during a specific measuring period without considering losses occurring in prior measuring periods. These arrangements create an incentive for such Portfolio Managers to make investments that are riskier or more speculative than would be the case in the absence of these arrangements.

**RISKS ASSOCIATED WITH WITHDRAWALS FROM THE MEP**

A significant portion of the invested capital in the MEP is in private, illiquid holdings, and such holdings are expected to continue to be a significant percentage of holdings in the future. Such investments are generally classified as “Special Investments.” A Limited Partner’s share of capital invested in such Special Investments is not available for withdrawal or distribution except as the investments produce distributed returns, are disposed of, or otherwise liquidated. A Limited Partner’s share of capital invested in such Special Investments is not available for withdrawal or distribution except as the investments produce distributed returns, are disposed of, or otherwise liquidated. In addition, a portion of the unfunded balance of any capital commitments in respect of such Special Investments and other reserves will also remain undistributed, and to the extent such capital is distributed, a withdrawing Limited Partner will remain obligated to return such distributed amounts to the MEP. If a withdrawing Limited Partner fails to meet its obligation to fund a capital draw down, such failure could adversely impact the MEP’s ability to meet its funding obligations, potentially exposing the MEP and in some cases the Asset Class Master Funds to the default provisions of a Portfolio Fund that is a Special Investment.

There is no public market for Special Investments and, because certain such investments will be in Portfolio Funds that are closed-ended or subject to restrictions on redemption, there is no readily available liquidity mechanism at any particular time for such investments. Consequently, Limited Partners who have requested to withdraw capital should expect to bear the economic and investment risks of their pro-rata share of each Special Investment for an extended period until it is liquidated or distributed.

A withdrawing Limited Partner’s remaining interest in Special Investments is subject to different investment risks than the Fund’s portfolio taken as a whole. Such Limited Partners will not benefit from the asset allocation employed by Makena to manage the Fund. The Special Investments are exclusively illiquid or hard to value in nature and may be subject to greater volatility and risk of loss. Special Investments are generally valued in accordance with the valuations reported to the Funds by the Portfolio Managers of such Special Investments. These values may not reflect the actual amounts that ultimately are realized and distributed to a withdrawing Limited Partner upon the disposition of such investments.

**Portfolio Fund Side Pockets**

Makena expects that, from time to time, certain of the Portfolio Funds will acquire securities and other instruments that are illiquid and/or lack a readily assessable market value and that the relevant Portfolio Manager determines to hold in a special investment account (a “Portfolio Fund Side Pocket”) within the Portfolio Funds. In certain circumstances, such securities and instruments may comprise a significant portion of a Portfolio Fund’s underlying investment portfolio. A Fund will generally not be able to redeem or withdraw its interest in a Portfolio Fund Side Pocket until after the underlying investment is liquidated or the Portfolio Manager otherwise determines not to hold such investment in a Portfolio Fund Side Pocket. Accordingly, a Fund can be expected to maintain its interest in a Portfolio Fund Side Pocket for a significant period of time, which would significantly impair such Fund’s ability to reallocate assets from one asset class to another asset class, or from one Portfolio Fund to another Portfolio Fund.

For Portfolio Fund Side Pockets that have not been designated as a Special Investment, only Limited

Partners with an interest in the relevant Fund at the time a Portfolio Fund Side Pocket is realized will participate in any appreciation or depreciation since the last valuation date with respect to such Portfolio Fund Side Pocket. As a result, a Limited Partner's pro-rata interest in any such Portfolio Fund Side Pocket could be diluted by additional contributions to the Fund by other Limited Partners.

### **Impact of Additional Investments**

Additional subscriptions by Limited Partners will dilute the interests of existing Limited Partners in the investment portfolio prior to such purchases, which could have an adverse impact on the existing Limited Partners if future investments underperform the prior investments. In addition, it is expected that Portfolio Funds will structure performance-based compensation so that compensation is paid only if gains exceed prior losses. Appreciation in the net assets managed by a Portfolio Fund at any given time will be shared pro-rata by all the Fund Limited Partners at such time, not just those who were Limited Partners at the time prior losses were incurred. The value attributable to the fact that no performance-based compensation will be paid to a Portfolio Fund until its gains exceed its prior losses will not be considered in determining the net asset value of the Fund. Such value to existing Limited Partners will be diluted by new capital invested in the Fund, because the new interests will participate in any positive performance by a Portfolio Fund until its gains exceed its prior losses without the Portfolio Manager of such Portfolio Fund being paid any performance-based compensation.

### **Side Letter Agreements**

Makena has entered into side letter arrangements with certain large Limited Partners in the Funds to provide such Limited Partners with different or preferential rights or terms, including but not limited to, most favored nation status, reducing the withdrawal notice period upon specified events, observer rights with respect to Board meetings and additional information and notice rights.

The Funds are not required to notify any or all of the other Limited Partners of any such side letter or any of the rights and/or terms or provisions thereof, nor are any of the Funds required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners. Limited Partners are encouraged to refer to the Funds' private placement memoranda which contain a more detailed description of the risk factors noted above (as applicable).

### **After-Tax Returns May Differ Among Limited Partners**

Limited Partners in the Funds, taken collectively, include taxable and tax-exempt U.S. Limited Partners, sovereign wealth funds and other non-U.S. Limited Partners. The diverse tax status of this limited partner base can be expected to result in different tax treatment to Limited Partners in the Funds with respect to returns from the investments made by the Funds and the Portfolio Funds, and as a result, different Limited Partners may have different after-tax returns. While certain investment techniques are used to reduce the impact of these differences, including the structure of Makena "master-feeder" partnerships through which Limited Partners participate in the Funds, these differences will still exist. These differences can create a circumstance where, in connection of overall returns to the Funds, the structuring or disposing of an investment is carried out in a manner that is more advantageous (or disadvantageous) for tax purposes for one class of Limited Partners versus another. While Makena takes into consideration after-tax returns in making its investment decisions, because of the varying status of the Limited Partners in the Funds, the after-tax returns may be better for some Limited Partners than for others.

### **Lack of Limited Partner Control**

Makena has complete discretion in managing the Funds' investments and Limited Partners will have no control over the investment management decisions made by Makena or the Portfolio Managers.

**Dependence on Portfolio Managers**

Makena will primarily invest assets of the Funds indirectly through holdings in Portfolio Funds managed by Portfolio Managers and are dependent upon the ability of such Portfolio Managers to develop and implement strategies that achieve their investment objectives. Subjective decisions made by the Portfolio Managers may cause the Funds to incur losses or to miss profit opportunities on which they would otherwise have capitalized. Limited Partners will not have an opportunity to evaluate the specific investments made by the Funds or the Portfolio Funds.

**Multi-Asset Class Portfolio Risks**

Makena invests the Funds, directly, or indirectly through Portfolio Funds, in global multi-asset class portfolios, including, but not limited to, investments in securities, debt instruments, derivatives, real estate, commodities, natural resources, foreign currency, contracts and other assets. Investment in all these assets involve the risk of capital and no assurance can be given that the Funds' investment activities will be successful or that a Limited Partner will not suffer losses. In addition, Makena pursues a variety of investment strategies for its Funds, the primary goals of which are to improve returns, reduce the total portfolio risk of the Funds or both, but may instead adversely impact the Funds' returns. Further, Makena may implement and employ any strategies or techniques and utilize any financial instruments which it believes will assist the Funds in achieving their investment objectives. It is impossible to know with certainty what the future investment performance from these activities will be and the risks involved in pursuing these strategies may not be assessed correctly.

**Risks Associated with Asset Class Categories**

Fundamental to the investment philosophy of the MEP is the development of portfolio holdings in multiple asset classes. While Makena will attempt to categorize all investments in asset classes most consistent with a particular investment's known characteristics, the investment program of certain Portfolio Funds include investments into more than one asset class category, and these asset classifications would result in skewed perception by Makena of the true risk and return characteristics of Fund's overall portfolio. In addition, certain asset classes are (at certain times) more difficult to value accurately. Makena has no control over these factors. Also, certain Portfolio Funds by design participate in more than one asset class or asset class sub-sector. Finally, the investment programs of certain Portfolio Funds can and do shift significantly over time. In order to address a change in Makena's assessment of the appropriate categorization of an investment, Makena manages, and expects in the future to manage, changes to such categorizations by causing the applicable investment to be transferred from one Asset Class Master Fund to another in a Cross Trade transaction in exchange for cash equal to the net asset value of such investment as discussed more fully under "Transactions between Funds" in Item 11.

**Importance of Liquidity to Asset Allocations**

Liquidity is beneficial to the Funds. Each Fund can seek to modify its liquidity at any given time by selling some of its investments, or by raising additional capital from existing or new Limited Partners. The sale of existing positions would involve transaction costs and may adversely affect investment performance. The ability of any of the Funds to increase its liquidity to respond to potential circumstances encountered in the market would be adversely affected if it were unable to raise additional capital from existing or new Limited Partners. Factors that Makena cannot control could impair its ability to raise additional capital, including the impact of then-prevailing economic conditions on the liquidity available to its potential limited partners. Liquidity is also needed to satisfy the Funds' obligations to contribute capital to the Portfolio Funds as capital is called. If the Funds cannot, for whatever reason, satisfy such obligations, the Funds would have to liquidate positions in certain investments that would otherwise be preferable to hold or possibly at prices below intrinsic fair values, or the Funds would be forced to default (and suffer penalties or loss of invested

capital), which could adversely affect investment performance.

### **Limited Liquidity for Limited Partners**

A significant portion of the invested capital in the Funds is in private, illiquid holdings and is expected to remain so in the future. A Limited Partner's share of capital invested in such investments, as well as a retained portion of any unfunded balance of a Limited Partner's share of any capital commitments thereof, is not available for withdrawal or distribution, except as the positions are liquidated. There is no public market for such investments and, because such investments will likely be in Portfolio Funds that are close-ended or subject to restrictions on redemptions, there is no readily available liquidity mechanism at any time for such investments. Consequently, Limited Partners who have requested to withdraw capital should expect to bear the economic and investments risks of their own pro-rata share of each position for an extended period until it is liquidated or distributed. In addition, there are limitations on the aggregate amount of capital that Limited Partners in the Funds can withdraw on any given withdrawal date.

### **No Market; Restrictions on Transfer**

There is no public market for interests in the Funds and it is not expected that a public market will develop. Consequently, Limited Partners will bear the economic risks of their investments in the Funds until they are able to withdraw their capital in accordance with the terms of the Governing Documents. The transferability of interests in the Funds is restricted by the terms of the Governing Documents, and by U.S. federal and state securities laws and foreign laws, as applicable. In general, Limited Partners will not be able to sell or transfer their interests in the Funds to third parties without the consent of Makena and registration under such securities laws or an exemption therefrom. Limited Partners will also be responsible for the fees and expenses related to such transfers.

### **Asset Allocation Risks**

For most of the Funds, Makena will have the discretion underweight or overweight allocations among asset classes. There is no assurance that its decisions in this regard will be effective in increasing investment returns or limiting relative risk to the Funds. In addition, the Funds may be limited in their ability to make changes to allocations due to the subscription and redemption provisions of the of the Portfolio Funds, including notice periods and limited subscription and redemption dates, the ability of the Portfolio Funds to suspend and postpone redemptions, and lock-ups on redemptions imposed by certain Portfolio Funds. The timing of capital calls to certain classes of Portfolio Funds is outside the control of Makena, and as a result, the unanticipated allocations to certain asset classes may be required. Asset allocation decisions made by Makena will be based largely on information previously provided by the Portfolio Funds. If such information is inaccurate or incomplete, it is possible that the allocation to the asset classes will not reflect Makena's intended allocations. This could impair the ability of Makena to implement the investment objective of the Funds.

### **Delayed Tax Reporting**

The Funds' tax reporting to Limited Partners is dependent upon reporting by the Portfolio Funds. Generally, tax information will not be delivered to Limited Partners until as much as 250 days following the end of the tax year. Limited Partners should consult with their tax advisors to ensure the requisite extensions are obtained as necessary due to the timing associated with reporting of tax information by the Funds.

### **Tax Reclamation**

Payments attributed to the Funds or Portfolio Fund investments in foreign jurisdictions are likely to be

subject to tax withholding by foreign taxing authorities. Some Funds may be able to recover a portion of such withheld amounts through the process of tax reclamation. However, there can be no assurance that the Funds will recover any of these withheld amounts.

### **Cybersecurity Risks**

The Funds' operations and investments rely extensively on computer software and systems for various purposes in connection services provided by Makena, the Portfolio Managers and other service providers. The software and systems used may be vulnerable to damage or interruption from computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, user errors, power, communications or other service outages and catastrophic events such as fires, storms, floods and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including private personal information of the Funds' Limited Partners. Although Makena has implemented, and Portfolio Managers and other service providers may implement or already have implemented, various measures to manage risks relating to these types of events, such measures could prove to be inadequate. Security breaches may not be identified even with sophisticated prevention and detection systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Makena's, the Funds' or one or more Portfolio Fund's operations and result in harm to the financial performance of the Funds, as well as harm to the Funds' Limited Partners.

### **ASSET CLASS FEEDER FUND RISKS**

#### **Limited Right to Withdraw**

Limited Partners in certain of the Asset Class Feeder Funds will have only limited rights to withdraw from such Asset Class Feeder Fund at any time prior to termination of such Asset Class Feeder Fund.

#### **Risks Associated with Participation in the Asset Class Master Funds**

There is a risk that the MEP's investment strategy and portfolio management may be impacted by the Asset Class Feeder Funds' participation in the Asset Class Master Funds with the MEP to the extent Makena takes into account or is influenced by the investment returns of the Asset Class Feeder Funds independently from the MEP's returns. Makena has a different fee structure for the Asset Class Feeder Funds that could cause Makena to seek improved risk adjusted returns for the Asset Class Master Funds as compared to the returns than would apply to the applicable asset class based on the MEP's asset class specific and overall portfolio strategies and management.

For example, where the MEP's asset class exposure within its overall portfolio with respect to a particular asset class can be managed by changes in the pace of new investment (faster or slower) or exercising liquidity rights (e.g., redemptions or sales), any conflicts with the interests of the applicable Asset Class Feeder Fund could cause Makena to take different or less aggressive measures with respect to the MEP's asset class exposure. Similarly, where the risk management of the MEP's overall portfolio may result in more conservative portfolio selection and management decisions, Makena may have an incentive, as a result of a higher or more likely performance fee structure, to be more aggressive with respect to the portfolio of a particular Asset Class Master Fund. In addition, investment performance expectations of the average investor in an Asset Class Feeder Fund may differ from the expectations of an investor in the MEP's long-term endowment model portfolio. Because Makena has an incentive to raise additional capital in the Asset Class Feeder Funds, the outcome of decisions like asset class exposure or risk exposure may be influenced by these expectations. In addition, Makena has, and in the future will, cause the ownership of the Asset Class Master Funds to change as between the MEP and the applicable Asset Class Feeder Funds. These changes have and will impact asset class exposure of the MEP, and in some cases risk exposure in the asset



class. Makena manages these changes in ownership of the Asset Class Master Funds in the same manner that it manages Cross Trades, as discussed more fully under “Transactions between Funds” in Item 11. Makena believes that its investment decision-making process for the MEP, including the MEP’s corresponding interests in the portions of its portfolio held by the Asset Class Master Funds, prioritizes the interests of the MEP, limiting the impact of participation of the Asset Class Feeder Fund in the Asset Class Master Fund; however, there can be no assurance such participation will result in an immaterial impact to the MEP.

### **Taxation**

The tax consequences of investments in real property are highly complex. In any particular year, a Limited Partner’s distributive share of taxable income from real estate funds could be significantly greater than the amount of cash, if any, the Limited Partner receives from the Asset Class Feeder Fund. Losses generated by a real estate Asset Class Feeder Fund may not be fully deductible for tax purposes. All Limited Partners are urged to read carefully the section entitled “Tax Considerations” of the Asset Class Feeder Fund Governing Documents and to consult with their own tax advisers.

### **Dependence on Other Limited Partners**

Limited Partners in the Asset Class Feeder Funds are obligated to contribute capital to such funds as and when called. Such capital will be invested into the applicable Asset Class Master Funds to fund investments and operating costs. If a Limited Partner fails to meet its obligation to fund a capital draw down, such failure could adversely impact such Asset Class Master Fund’s ability to meet its funding obligations, potentially exposing the Asset Class Master Fund to the default provisions of a Portfolio Fund.

**It is critical that a prospective Limited Partner refer to the relevant Fund’s Governing Documents for a complete understanding of related risks. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund’s Governing Documents.**

### **C. Material Risks of Securities Recommendations**

The following is a summary of certain principal risks associated with investments made with the Portfolio Managers and directly by the Funds, as well as other security-related risks. The list below does not attempt to describe every possible security-related risk associated with investing in Makena’s Funds. For a complete description of risk involved with securities recommendations, please refer to the applicable Governing Documents which contain an expansive review of the risks involved. Each Limited Partner in the Funds is provided with such risk disclosures in the Governing Documents for such Fund.

### **Global Economic Conditions**

The investment performance of the Funds and the Portfolio Funds are materially affected by conditions in the global financial markets and economic conditions generally. These conditions can negatively impact the performance of the Funds. Stable and sustainable growth in global and regional economies is susceptible to rapid changes due to extrinsic factors such as risk inherent in the financial system, economic intervention by governments, terrorism or acts of war. Changing economic conditions in the global economy or in specific regional economies may also impact the ability of the investment strategy used by the Funds to effectively manage or address relative investment risk. There can be no assurances that modifications or refinements to the operation of the Funds can be implemented which would improve overall investment performance in the event of highly correlated value decreases across multiple asset classes.

**Uncertain Economic, Social, Political and Regulatory Environment**

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, the COVID-19 outbreak or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty would be likely to reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Funds and their investments in portfolio companies.

In addition, the securities and derivatives markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, the Commodity Futures Trading Commission (the “CFTC”), and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of securities and derivatives both inside and outside the United States is a rapidly changing area of law and is subject to modification by government and judicial action.

**Financial Institution Risk; Distress Events.**

An investment in a Fund is subject to the risk that one of the Fund’s banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund’s assets (each, a “Financial Institution”) fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Makena, the Funds, and the Portfolio Managers, the Portfolio Funds and/or their underlying portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Makena to manage the Funds and their investments, and on the ability of Makena, any Fund and/or the Portfolio Managers, the Portfolio Funds and/or their underlying portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. For example, a Fund would likely be subject to fees and expenses in the event the Fund defaults on its obligations to a Portfolio Fund or is otherwise not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise). Additionally, a Distress Event would potentially impact the ability of an underlying Portfolio Fund to acquire or dispose of investments at prices that the relevant Portfolio Manager believes reflect the fair value of such investments and/or the ability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Makena expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Makena and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the custodian, which heightens the risks associated with a Distress Event with respect to such custodians. Although Makena seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Makena is under no obligation to use a minimum number of custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

### **Geopolitical Conditions in Europe**

The current conflict between Russia and Ukraine has escalated tensions between Russia and the U.S., NATO, the EU and the U.K., as well as other jurisdictions. The U.S. has imposed, and is likely to impose material additional, financial and economic sanctions and export controls against certain Russian organizations and/or individuals, with similar actions either implemented or planned by the EU and the U.K. and other jurisdictions. Such sanctions constrain transactions in Russian sovereign debt, and investment, trade, and financing in Russia. Performance of the Portfolio Fund's investments in Russia and Ukraine, as well as investments with ties to the Russian and Ukrainian economies, have been and may continue to be negatively impacted. Moreover, actions by Russia, and any further measures taken by the U.S. or its allies, as well as related destabilization, could have negative impacts on European and global financial markets and economic conditions.

### **Epidemic/Pandemic Risk**

An epidemic or pandemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including Makena's business, and would adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Makena has policies and procedures to address known situations, but because a large epidemic or pandemic would create significant market and business uncertainties and disruptions, not all events that could affect Makena's business and/or the markets can be determined and addressed in advance.

### **Highly Volatile Markets**

The valuations of investments, whether made by the Funds directly or through the Portfolio Funds, and therefore the net asset value of the Funds' investments, can be highly volatile. Price movements of equities, credit instruments, currencies, real estate, or other assets in which a Portfolio Fund or the Funds invest are influenced by many factors.

### **Illiquidity**

Liquidity is important to Makena's business. Under certain market conditions, the liquidity of the Funds' portfolio positions would be reduced. During these times, the Funds would be unable to dispose of certain securities or other assets, including longer-term instruments, which would adversely affect its ability to rebalance its portfolios or to meet withdrawal requests. In addition, certain market circumstances would force the Funds to dispose of securities or other assets at reduced prices, thereby adversely affecting its performance. The Portfolio Funds are also subject to similar risks in connection with their portfolio holdings.

### **Restricted and Illiquid Investments**

The Funds' investments in the Portfolio Funds are usually in restricted and illiquid securities. In addition, Portfolio Funds will invest a portion or all of the value of their assets in restricted securities and other investments that are illiquid. There is no limit imposed by the Funds' investment program on the percentage of a Portfolio Fund's net assets that may be invested in illiquid securities. Positions in restricted or non-publicly traded securities, securities on foreign exchanges and certain futures contracts may be illiquid because certain exchanges limit fluctuations in certain securities and futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Market and general economic conditions may also affect liquidity of specific asset classes or investments in certain regions or markets. Liquidity constraints in the Funds' investments could prevent the Funds or Portfolio Funds from promptly liquidating unfavorable positions and subject those investments to substantial losses. Illiquidity of the portfolio could also impair the Funds' ability to permit timely withdrawals of capital by Limited Partners.

### **Equity and Equity-Related Instruments**

Portfolio Funds and the Funds invest long and short in equities and equity-related instruments in their investment programs which may be subject to various risks. Equity-related instruments can also involve significant economic leverage and involve significant risk of loss which is amplified compared to unleveraged positions. The value of the stocks and other securities and instruments that a Portfolio Fund holds can decline over short or extended periods due to market fluctuations.

### **Small Capitalization Companies**

Certain Portfolio Managers invest in securities of small capitalization companies and recently organized companies, and conversely, the Portfolio Funds may establish significant short positions in such securities. Historically, such securities have been more volatile in price than those of larger, better capitalized, and more established companies. Investments in these types of companies, because of their limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record.

### **Special Purpose Acquisition Companies**

The Adviser may invest in securities issued by special purpose acquisition companies ("SPACs") and other similar, publicly-traded blank check entities or blind pools. A SPAC is a "blank check" public company, the purpose of which is to identify merger, acquisition or other transformative transactions and consummate such transactions with one or more operating businesses or assets (any such transaction, a "Transaction"). SPACs have no operating history and, at the time that the Adviser invests in a SPAC, the SPAC typically has not conducted any discussions or made any plans, arrangements or understandings with any prospective Transaction candidates. Accordingly, there is a limited basis (if any) on which to evaluate the SPAC's ability to achieve its business objective. While certain SPACs are formed to make Transactions in specified market sectors, others are complete "blank check" companies, and the management of the SPAC may have limited experience or knowledge of the market sector in which the Transaction is made. Accordingly, at the time that the Adviser invests in a SPAC, there may be little or no basis for the Adviser to evaluate the possible merits or risks of the particular industry in which the SPAC may ultimately operate or the target business which the SPAC may ultimately acquire.

A SPAC will not generate any revenues until, at the earliest, after the consummation of a Transaction. While a SPAC is seeking a Transaction target, its stock may be thinly traded. The economic model for a SPAC depends on there being a viable market for its stock and warrants prior to consummation of a Transaction. There can be no assurance that such a market will develop, despite the fact that such securities legally are freely tradable (having been publicly offered).

The proceeds of a SPAC IPO that are placed in trust are subject to risks, including the risk of insolvency of the custodian of the funds, fraud by the trustee, interest rate risk and credit and liquidity risk relating to the securities and money market funds in which the proceeds are invested. Many SPACs invest their trust assets in money market funds. Certain of these funds have incurred material losses at various times.

### **Exchange Traded Funds**

Certain Funds and Portfolio Managers purchase and sell shares of exchange traded funds (“ETFs”), which are a type of investment company bought and sold on a securities exchange. An ETF represents a fixed portfolio of securities designed to track a market index. The risks of owning an ETF are generally the same as the risks of owning the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including risks associated with the management, operation, liquidity and strategy execution of the ETF. As a shareholder of an ETF, the Funds or a Portfolio Fund would bear a pro rata portion of the ETF’s expenses, including advisory fees.

### **Non-U.S. Securities**

Some of the Portfolio Managers retained by the Funds will invest in non-U.S. securities, including those acquired by way of non-U.S. Portfolio Funds, direct equities, derivatives and ETFs. Investing in securities of issuers located in non-U.S. countries, including investments in emerging markets, involves considerations and possible risks not typically involved in investing in securities in U.S. Companies. The application of non-U.S. tax laws or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may also result from investment in non-U.S. securities and non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the U.S. Moreover, because internationally there may be less government supervision and regulation of worldwide stock exchanges and clearinghouses than in the U.S., the investments made by the Funds and the Portfolio Funds outside of the U.S. may also be subject to the risk of the failure of the exchanges on which the positions trade or their clearinghouses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

### **Digital Assets**

Some of the Portfolio Managers retained by the Funds will invest in cryptocurrencies, decentralized application tokens and protocol tokens, blockchain-based assets and other cryptofinance and digital assets, or instruments for the purchase of such cryptocurrencies, tokens or assets (each, a “Digital Asset” and, collectively, “Digital Assets”). Digital Assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, Digital Assets have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for Digital Assets is generated by speculators and limited partners seeking to profit from the short or long-term holding of Digital Assets. Many Digital Assets will derive their speculative value from the perceived usefulness of the blockchain networks they are attached to as many are designed to be consumed in transactions that record data or provide access to certain functionality on these networks. The relative lack of acceptance of Digital Assets beyond their own blockchain network in the retail and commercial marketplace limits the ability of end-users to pay for other goods and services with Digital Assets. A lack of expansion by Digital Assets or use of their underlying blockchain networks into retail and commercial markets, or a contraction of such use, may result in increased volatility.

Current, pending and future legislation, SEC and CFTC rulemaking, and other regulatory developments may impact the manner in which Digital Assets are treated for classification and clearing purposes. In particular, various Digital Assets may not be excluded from the definition of a “commodity future” or “security” by CFTC and SEC rules and rulemaking, respectively. As Digital Assets have grown in popularity, certain U.S. agencies, such as the United States Financial Crimes Enforcement Network, the SEC, and the CFTC, have been examining Digital Assets and the operations of Digital Assets in depth. To the extent that Digital Assets are deemed to fall within the jurisdiction of any one or more of these agencies and are subject to subsequent rulemaking by them, the Funds, the Portfolio Funds, the Portfolio Managers, and/or Makena may be required to comply with additional regulatory requirements. Such additional requirements may result in extraordinary, non-recurring expenses, as well as ongoing compliance-related expenses. If the Portfolio Managers and/or Makena determine not to comply with such additional requirements, the Funds and/or the Portfolio Funds may be unable to participate in Digital Asset investments, which may be disadvantageous to the Funds.

Digital Assets currently face an uncertain regulatory landscape not only in the United States but also in many foreign jurisdictions. It may be illegal, now or in the future, to own, hold, sell or use Digital Assets in one or more countries, including the United States. Although currently some uses of Digital Assets and the operation of the underlying blockchain networks are not regulated or lightly regulated in most countries, including the United States, one or more countries may take further regulatory action in the future to severely restrict the right to acquire, own, hold, sell or use Digital Assets or to exchange Digital Assets for fiat currency. Such an action would likely restrict Funds’ ability to hold or trade Digital Assets and may adversely affect an investment in the Funds.

### **Investments in Emerging Markets**

Certain Funds invest with Portfolio Managers that focus on “emerging markets.” Portfolio Funds invest in securities of companies based in emerging markets or issued by the governments of such countries. In addition, the Funds co-invest with such Portfolio Funds directly in such securities. Securities traded in certain emerging markets may be subject to risks due to the inexperience of financial intermediaries, the lack of modern technology, lack of information and reporting, the lack of a sufficient capital base to expand business operations, illiquidity, high levels of volatility, temporary or permanent termination of trading, and political and economic instability.

### **Foreign Currency Transactions and Exchange Rate Risk**

Many Portfolio Managers invest in equity and equity-related securities and in other financial instruments denominated in non-U.S. currencies. Portfolio Managers and the Funds engage in foreign currency transactions to generate returns or to reduce exposure to risks resulting from currency fluctuations. To the extent these currency exposures are not hedged, the value of the Funds’ and certain Portfolio Funds’ net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of a Portfolio Fund’s or the Funds’ investments in the various local markets and currencies. The Funds and the Portfolio Managers enter into certain transactions in an attempt to hedge against some of these risks or to optimize the Funds’ overall currency mix; however, there can be no assurance that such transactions will be available or effective.

### **Special Situations**

Portfolio Funds invest (and from time to time, the Funds have co-invested) in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in workouts, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. Because there is substantial uncertainty concerning the outcome of these transactions involving financially troubled companies, there is a potential risk that the Portfolio Fund will lose some or all of its investment.

**High Yield Securities**

The Portfolio Managers retained by the Funds invest in “high yield” bonds and preferred securities that are rated in the lower rating categories by various third-party credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be largely speculative with respect to the issuer’s capacity to pay interest and repay principal. Because of these and other risks associated with these types of securities, there is a greater likelihood that the Portfolio Manager will lose some or all of the investment.

**Leverage**

The Funds are authorized to borrow amounts of money in the normal course of business for any number of reasons in accordance with the terms of their Governing Documents. Though the Funds have rarely utilized this authority, the use of leverage will increase the volatility of the Funds’ investments. In addition, certain Portfolio Managers retained by the Funds utilize a substantial degree of leverage. The use of borrowing exposes Portfolio Managers to additional levels of risk.

**Derivatives**

Portfolio Funds and the Funds invest in, or enter into transactions involving, derivative instruments. These are financial instruments that derive their performance, at least in part, from the performance of one or more underlying assets, currencies, market indices or interest rates. A Portfolio Fund’s or a Fund’s use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments. A small investment in derivatives could have a larger potential impact on a Portfolio Fund’s or a Fund’s performance. If a Portfolio Fund or a Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments would lower the Portfolio Fund’s or the Fund’s return or result in a loss. A Portfolio Fund or a Fund could also experience losses if derivatives are poorly correlated with its other investments, or if a Portfolio Fund or a Fund is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

**Systemic and Counterparty Risk**

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

**Collateral.** The Funds will have credit and operational risk exposure to its counterparties, which will require the Funds to post collateral to support its obligations in connection with transactions involving forwards, swaps, futures, options, and other derivative instruments. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral posted by the Funds in connection with such transactions. This could increase a Fund’s exposure to the risk of a counterparty default since, under such circumstances, such collateral could be lost, or the Fund may be unable to recover such collateral promptly. Also, counterparties have an interest in maximizing the return from such collateral. This interest could conflict with the interests of a Fund in preserving and protecting its portfolio. Portfolio Funds are subject to similar risks in connection with their borrowing activities.

**Counterparty Credit Risk.** Some of the markets in which a Fund or a Portfolio Fund may affect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such “over-the-counter” transactions. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (bona fide or not) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. Neither the Funds nor the Portfolio Funds are restricted from dealing with any counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, neither the Funds nor the Portfolio Funds have any formal credit function that evaluates the creditworthiness of the counterparties. The ability of the Funds or the Portfolio Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund or Portfolio Fund.

### **Venture Capital**

While venture capital investing presents the potential for significant capital appreciation, such investments also involve a high degree of risk. It is anticipated that the portfolio companies of venture capital Portfolio Funds will confront a significant degree of financial, operating and competitive risk. In addition, many of these companies, due to their limited revenues and history of operating losses, may need to rely on their ability to fund continuing operations via the private and public capital markets. Such continued funding may be curtailed as a result of a variety of factors which may include, but would not be limited to, rising interest rates, downturns in the economy or deterioration in the condition of the company or its industry.

### **Private Equity**

Investment in private equity involves the same types of risks associated with an investment in any operating company. However, securities issued by private partnerships investing in private equity investments may be more illiquid than securities issued by other Portfolio Funds generally, because these partnerships’ underlying investments may be less liquid than other types of investments. Attractive investment opportunities in private equity may occur only periodically, if at all.

### **Real Estate**

Investments in REITs and other real estate related securities are subject to the general risks incident to the ownership and operation of real estate. Some REITs may invest in a limited number of properties, in a narrow geographic area or in a single property type, which increases the risk that a Portfolio Fund could be hurt by the poor performance of a single investment, investment type or geographic region. REITs may also be affected by tax and regulatory requirements in that a REIT may not qualify for preferential tax treatments or exemptions. Securities issued by private partnerships investing in real estate investments may be more illiquid than securities issued by other Portfolio Funds generally because these investments may be less liquid than other types of investments.

### **Natural Resources Investing Risk**

The production and marketing of commodities, energy and natural resources may be affected by actions and changes in governments and may be subject to broad price fluctuations. Some of these companies may also be subject to the risks of mining and oil drilling, and the risks of other hazards, such as fire and drought, as well as, construction risks, costs of pollution and waste disposal, and general project and operating risks.



Furthermore, certain natural resources are geographically concentrated, and political and other events in those parts of the world may affect their values. The natural resources industries are extensively regulated, which could lead to increased costs, penalties or fines or adversely affect investments in these industries. Securities issued by private partnerships investing in natural resources investments may be more illiquid than securities issued by other Portfolio Funds generally because these investments are generally less liquid than other types of investments.

### **Infrastructure Investment Risks**

Infrastructure companies are susceptible to various factors that may negatively impact their businesses or operations, including, without limitation, costs associated with compliance with and changes in applicable environmental, governmental and other regulations, rising interest costs in connection with capital construction and improvement programs, government budgetary constraints that impact publicly funded projects, the effects of general economic conditions worldwide, surplus capacity and depletion concerns, increased competition, uncertainties and delays with respect to the timing and receipt of government and/or regulatory approvals, uncertainties regarding the availability of fuel and other natural resources at reasonable prices, the effects of energy conservation policies, unfavorable tax laws or accounting policies, and high leverage. Infrastructure companies are also affected by innovations in technology that could render the way in which a company delivers a product or service obsolete, significant changes to the number of ultimate end-users of a company's products, inexperience with and potential losses resulting from a developing deregulatory environment, increased susceptibility to terrorist attacks and natural or manmade disasters.

### **Short Sales**

Certain Portfolio Funds engage in short selling. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could, in theory, increase without limit, thus increasing the cost of buying those securities to cover the short position. Furthermore, there can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby increasing the loss.

### **Fixed Income**

Portfolio Funds and the Funds invest in fixed income securities. Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and are subject to the price volatility associated with global and regional economic conditions. In addition, mortgage-backed securities and asset-backed securities are also subject to certain risks, including a change in the prepayment rate. A change in the prepayment rate of these mortgage or asset-backed securities can result in losses to Limited Partners.

### **Interest Rate Risk**

Changes in interest rates can affect the value of fixed-income debt securities such as bonds and notes. Increases in interest rates may cause the value of such investments to decline. The Funds would experience increased interest rate risk to the extent the Funds invest in lower rate securities, debt securities with longer maturities, debt securities paying no interest (such as zero-coupon securities), or debt securities paying non-cash interest in the form of other debt securities (pay-in-kind securities).

### **Reliance on Managing Directors**

Limited Partners rely on Makena to identify, manage and implement investments consistent with each Fund's investment objectives and policies and to conduct the business of such Fund as contemplated by the

Fund's Governing Documents. The loss of one or more Managing Directors of Makena could have a significant adverse impact on the business of the Funds and their financial performance. No assurances can be given that each of the Managing Directors will continue to be affiliated with the Funds throughout their respective terms. Furthermore, Makena's operating agreement contains a provision that a Managing Director shall be deemed to have voluntarily resigned upon attainment of the age of sixty-five (65), unless otherwise determined by the Managing Directors.

**It is critical that a prospective Limited Partner refer to the relevant Fund's Governing Documents for a complete understanding of related risks. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.**

## **ITEM 9. DISCIPLINARY INFORMATION**

Makena does not have any reportable disciplinary information relating to the Firm or its personnel.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Management Persons as Registered Broker-Dealers**

Not applicable to Makena.

### **B. Management Persons as Commodities Traders**

Not applicable to Makena.

### **C. Material Relationships with Related Persons**

Makena (or an affiliate for certain Funds) serves as general partner and/or investment manager of the Funds.

All Makena employees are required to acknowledge and agree to abide by the terms of the Firm's Compliance Manual and Code of Ethics, which includes various policies designed to identify and resolve potential conflicts of interest.

Any potential conflict of interest is mitigated by the fact that Makena's investment recommendations and decisions made on behalf of the Funds are determined by a vote of the members of the Investment Committee, which is comprised of certain Managing Directors of Makena and the Chief Investment Officer who appointed them. Investment recommendations and decisions are based on the merits, taking into account due diligence review of new investments and monitoring of existing investments. To the extent that any Managing Director has an actual or potential conflict with respect to a particular matter, that Managing Director will not participate in any investment decisions related to such matter. In addition, any compensation that would otherwise be paid to Managing Directors related to advisory board service to Portfolio Funds or Portfolio Managers is paid instead to the Funds.

Because Makena's Board serves in an advisory and oversight capacity and is not involved in the day-to-day operations or management of the Firm or the Funds, Makena's Board members are not related persons of Makena. That said, certain outside members of Makena's Board serve as directors (or in similar functions) of other investment advisers, including advisers to investment companies, other pooled investment vehicles, and sovereign wealth funds. These outside members of Makena's Board do not exercise a controlling influence over the policies or management of Makena, and they are not involved in the day-to-day operations of Makena or the Funds.

Certain of Makena's Board members are also invested personally (or through a trust or similar entity) in one or more of the Funds, and certain Board members own a portion of Makena, either directly or through an affiliated entity.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

Makena has adopted a Code of Ethics (the "Code") pursuant to the requirements of the Advisers Act Rule 204A-1. Makena believes that high ethical standards are essential if Makena is to earn and maintain the confidence of Makena's Limited Partners. The Code generally applies to Makena's partners, officers, directors, employees and certain other persons under their supervision (collectively, the "Access Persons") and sets forth a standard of business conduct that takes into account Makena's status as a fiduciary and requires Access Persons to place the interests of the Funds and Limited Partners above their own interests. Makena's outside Board members are not treated as Access Persons under the Code.

The Code is designed to: (i) establish guidelines for professional conduct and personal trading procedures; (ii) prevent improper personal trading by Makena's Access Persons; (iii) prevent improper use of material, non-public information about securities recommendations made by Makena or securities holdings of the Funds; (iv) identify conflicts of interest; and (v) provide a means to resolve any actual or potential conflict in favor of the Funds and their Limited Partners, and other areas as described fully in the Code.

The Code sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Chief Compliance Officer ("CCO") with a list of their personal accounts and an Initial Holdings Report within 10 days of becoming an Access Person. In addition, Makena requires its Access Persons to report certain of their securities transactions on a quarterly basis and disclose certain of their securities holdings on an annual basis, as required by Advisers Act Rule 204A-1. Makena's Access Persons generally may not invest in securities that the Funds currently own, recently sold or intend to purchase (subject to certain exceptions). The CCO has in the past, and may in the future, grant exceptions to the reporting and pre-clearance requirements described above.

Access Persons are provided a copy of the Code and are required to sign an annual acknowledgment of the Code. The executive management of Makena has authority to impose such sanctions or remedial action it deems appropriate or to the extent required by law upon the discovery of any violation of the Code.

A copy of the Code is available to Limited Partners or prospective Limited Partners upon written request made to Makena as indicated on the cover of this Brochure.

### **B. Conflicts of Interest in Connection with Investment Recommendations or Transactions**

In the ordinary course of conducting its activities, the interests of a Fund can at times conflict with the interests of Makena. Certain of those conflicts of interest, as well as a description of how Makena addresses such conflicts of interest, can be found below. Other conflicts may be disclosed throughout this Brochure and in the Governing Documents of each Fund and these materials should be read in their entirety. Makena has adopted policies and procedures to address and mitigate conflicts of interest, including those described below.

**Conflicts Relating to Affiliates of Makena**

Makena has a financial ownership interest in the Funds and receives a management fee, and in some cases, a performance-based fee or allocation for its services to the Funds (as more fully discussed in response to Item 5 above). The fact that Makena has a financial ownership interest in such Funds creates a potential conflict in that it could cause Makena to make different investment decisions than if it did not have such a financial ownership interest. Further, as noted in Item 6, the possibility that Makena (or an affiliate) could receive performance-based compensation creates a potential conflict of interest in that it creates an incentive for Makena to make more speculative investments than it might otherwise make.

Certain of Makena's Managing Directors, members of Makena's Board, and employees also have investments in one or more of the Funds and, as such, have a financial interest in the Funds. This creates a potential conflict of interest because the fact that such persons have investments in the Funds could lead Makena to make different investment decisions than if such persons did not have such investments.

Certain of Makena's Managing Directors, members of Makena's Board, and employees of Makena are authorized to make or do hold personal investments in securities that Funds invest in and/or the underlying Portfolio Funds invested in by the Funds. This creates a potential conflict of interest because these persons have an incentive to seek the Funds' investment in securities and/or Portfolio Funds in which such persons have an interest, and, in addition, have an incentive to invest in securities and/or Portfolio Funds in which one or more of the Funds has an investment or is considering making an investment. There is also a risk that Makena's Managing Directors, members of Makena's Board, and employees could learn of material, non-public information about an issuer during the course of their Makena-related responsibilities or in connection with their non-Makena outside activities and improperly utilize that information for the benefit of the Funds, Makena or themselves. However, under applicable law, Makena would be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any person, regardless of whether such person is a client of Makena. Additionally, there is a risk that a Fund will be prohibited from investing in a particular security as a result of Makena's Managing Directors, members of Makena's Board or Makena's employees learning such material, non-public information about the issuer of the securities.

**Allocation of Investment Opportunities and Expenses**

In connection with its investment activities, Makena encounters situations in which it must determine how to allocate investment opportunities among various Funds. The investment policies, fee arrangements, carried interest, investments owned by employees of Makena or its affiliates with respect to a Fund, and other circumstances of one participating Fund, may vary from those with respect to other Funds. These relationships present potential conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a particular Fund.

Makena manages such potential conflict by adopting an investment allocation policy (which is approved by the Board) which includes provisions to guide the allocation of capacity-constrained and side pocketed investment opportunities among the Funds, among other items. The policy generally provides that the MEP and the Asset Class Feeder Funds are entitled to priority in the allocation of constrained opportunities; these Funds participate pro rata based on net asset value. If there is remaining capacity after the MEP and the Asset Class Feeder Funds have received their full allocation, then Makena may seek to provide allocation to any other Fund that may by strategy be an appropriate investor.

The appropriate allocation between the Funds and Makena of expenses and fees incurred in the course of evaluating and making investments, including those which are not consummated, such as out-of-pocket

fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by in accordance with the Governing Documents of the Funds, as applicable.

From time to time, Makena may become aware of co-investment opportunities with capacity such that, after the Funds invest, there may be remaining capacity that Makena may choose to make available. In these situations, Makena generally does not control the decision over which (if any) of Makena's Limited Partners will be allowed to participate in the opportunity. Accordingly, no Limited Partner should have any expectation or entitlement to be offered an opportunity to participate in such co-investments except to the extent of their participation through the Funds. Although Makena prefers co-investments to have no management and no incentive fee, co-investments may bear other fees and expenses associated with the investment that could adversely affect investment performance.

### **Transactions between Funds**

Subject to and in accordance with applicable law and the terms of Makena's policies, Makena has caused, and expects in the future to cause (but is under no obligation to cause), one of the Funds to purchase, an investment owned by another Fund, or to sell an investment to another Fund (such transactions, "Cross Trades"). Cross Trades create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or Makena might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn increased fees. Makena will receive management fees or other fees in connection with its management of the relevant Funds involved in such a transaction and may also be entitled to share in the investment profits of the relevant Funds. However, Makena will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction. Additionally, in connection with such transactions, Makena, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). As noted above, in the event an investment is made available to the MEP and one or more other Funds, such investment will generally be allocated among such Funds on a pro rata basis in accordance with the committed capital of each such Fund, subject to Makena's investment judgment taking into account factors including, but not limited to, the following: (1) the suitability of the investment in light of the Funds' strategies; (2) the extent of the Funds' available existing liquidity; (3) the Funds' pre-existing and target exposures to the relevant asset class, manager, strategy and geography; and (4) such other relevant factors as Makena shall identify in its judgment. Makena may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction and may also be entitled to share in the investment profits of the relevant Funds. However, Makena will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction. In light of these potential conflicts of interest relating to Cross Trades, Makena has developed policies and procedures in order to guide such transactions. However, there can be no assurance that such transactions will be effected in the manner that is most favorable to a Fund as a party to any such transaction.

### **Principal Transactions**

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. While such transactions are not presently anticipated, in the event that Makena or its affiliates engage in a principal transaction, Makena has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of

the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### **Business with Limited Partners**

Makena has service providers, including, for example, investment bankers, outside legal counsel and pension consultants, who are Limited Partners in Funds and/or who provide services to businesses that are competitors of Makena. Makena has a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in the Funds or will provide Makena with information about markets and industries in which Makena operates or is interested or will provide other services that are beneficial to Makena. There is a possibility that Makena, because of such belief or other reasons, would favor such retention or continuation even if a better price and/or quality of service could be obtained.

### **Charitable Contributions to Certain Non-Profit Limited Partners**

Some of the Funds' Limited Partners are non-profit, charitable or educational institutions. From time to time, Makena and its affiliates make charitable contributions to these organizations. It could be a conflict of interest if any such contributions were made in order to influence an institution to become or remain a Limited Partner in a Fund. However, these contributions are not made for that purpose, and given their amount and nature, Makena does not believe they have that effect.

### **Resolution of Conflicts of Interest**

In the case of all conflicts of interest, Makena's determination as to which factors are relevant, and the resolution of such conflicts, will be made using Makena's best judgment, but in its sole discretion. In resolving conflicts, Makena considers various factors, including the interests of the applicable Fund with respect to the immediate issue and/or with respect to such Fund's longer-term course of dealing. Makena seeks to address these potential conflicts by taking the following steps (among other measures):

- Approval of investment recommendations by the Investment Committee analyzed from the Fund's perspective and considering the best interests of the Fund.
- Requirement that all partners and members of the Board must complete an annual conflicts questionnaire and are encouraged to otherwise disclose any potential conflicts of interest to Makena.
- A robust Code of Ethics (which is described in Item 11.A above) which requires the reporting of personal trading, requires personal pre-clearance for all private investments and certain other investments, and provides restrictions on the types of securities in which the employees of Makena may invest.
- Established procedures, restrictions, or other provisions contained in the Governing Documents.
- Requirement that Managing Directors recuse themselves from any Investment Committee matters that present potential conflicts of interest with respect to themselves.
- Requirement that Managing Directors transfer to the Funds any compensation paid to them for service on advisory boards of Portfolio Funds.
- Requirement that Access Persons pre-clear outside business activities (other than outside activities related to charities, non-profit organizations/clubs or civic/trade associations).
- Disclosure of potential conflicts of interests and risks in the Governing Documents and this Form ADV.
- A policy designed to govern the orderly allocation of capacity-constrained investment opportunities among the MEP and one or more Permitted Funds that might also desire to participate.

**C. Personal Trading by Firm Personnel in Securities Recommended to Clients**

Please see the response to Item 11.B above.

**D. Personal Trading and Contemporaneous Recommendations to Clients**

Please see responses to Items 11.A and B above.

## **ITEM 12. BROKERAGE PRACTICES**

### **General Brokerage Practices at Makena**

Makena uses various brokers-dealer to execute trades on behalf of the Funds and it is Makena's policy to seek to obtain the best execution of the portfolio securities transactions directly entered into by the Funds, taking into account all relevant factors, including but not limited to commissions paid and the spread. With respect to investments in the Portfolio Funds, the Funds will often purchase securities (i.e., limited partnership interests) directly from the Portfolio Funds, and in certain limited cases such purchases are directly subject to transaction expenses borne by the Funds.

### **Brokerage Practices Related to Direct Investing and Trading Done by Makena**

Certain of the Funds purchase portfolio securities from a variety of counterparties other than the Portfolio Funds, and these portfolio transactions are subject to brokerage or transaction expenses. These transactions will generally be allocated to brokers, dealers and counterparties selected by Makena.

In selecting brokers, dealers and counterparties to execute portfolio transactions, Makena will consider many different factors, including, among others, the pricing and terms offered; the existence of required counterparty agreements (such as an ISDA); a broker's, dealer's or counterparty's ability and willingness to provide liquidity over the long-term and short-term; ability and willingness to provide access to new issues; ability to effect transactions; creditworthiness; overall relationship with Makena; and various other considerations. Makena need not solicit competitive bids and does not have an obligation to seek the lowest available commission or other transaction cost.

In order to monitor best execution, Makena will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effective on behalf of Makena and each Fund.

### **Brokerage Practices Related to Direct Investing and Trading Done by the Portfolio Managers**

As noted in Item 4, the Funds invest in Portfolio Funds, accounts and other vehicles managed by Portfolio Managers. As noted in Item 8, in addition, the Funds do not control any of the Portfolio Managers, their choice of investments, or any other investment decisions. The investments of a Fund will always be made pursuant to written disclosures from, and/or agreements with, a Portfolio Manager that will provide, among other things, guidelines by which such Portfolio Manager will make its investment decisions (including information about best execution). The Portfolio Managers generally determine the individual portfolio securities and amounts to be bought or sold, the broker or dealer utilized and possibly the related commission rates.

Makena expects the Portfolio Managers to allocate brokerage business generally based on best available execution and in consideration of such brokers' provision of brokerage, research and related services as well as other services. The Portfolio Managers also use brokers with which they are affiliated. Makena and its clients have no direct control over the selection of brokers made by the Portfolio Managers.

The Portfolio Managers are authorized to determine the broker, dealer or counterparty to be used for each securities transaction for which they have control. Brokerage and research services received from brokers will be in addition to, and not in lieu of, the services required to be performed by each Portfolio Manager.



**A1. Soft Dollar Arrangements Related Directly to Makena**

While Makena believes it would be authorized to use research obtained with “soft dollars” generated by Makena clients to service other client accounts, Makena has never used – and currently does not have – any soft dollar arrangements with any of the Firm’s brokers.

**A2. Brokerage for Client Referrals**

Not applicable to Makena.

**A3. Directed Brokerage**

Not applicable to Makena.

**B. Aggregation of Securities Transactions**

Makena generally will not aggregate the purchase or sale of securities directly invested in by the Funds due to differences in operational terms of the Funds (which makes it inefficient to aggregate such orders). In addition, such aggregation of orders has not proven to result in any cost savings to the Funds. Although Makena will not generally aggregate orders for investments in Portfolio Funds or Portfolio Managers, Makena reserves the right in the future to form special purpose vehicles to make such investments for a number of funds.

**ITEM 13. REVIEW OF ACCOUNTS****A. Periodic Review of Portfolio Managers**

On an annual basis, each Makena asset class team performs a comprehensive review of all of its Portfolio Managers. During this process, each Portfolio Manager is evaluated based on a set of metrics appropriate to the asset-class which may include both qualitative and quantitative characteristics.

Operational due diligence is another important component of Makena’s monitoring practices in which Makena collaborates across investment and operational groups in a process designed to (a) identify, assess and limit exposure to non-investment risk; (b) understand changing regulatory environments and market dynamics; and (c) maintain a dynamic but reproducible assessment framework across asset classes. Under its standard approach to ongoing operational due diligence, Makena seeks to contact Portfolio Managers on a regular basis. Makena sees its ongoing contact with Portfolio Managers as an opportunity to:

- verify that manager operational resources and procedures are reasonably designed to limit operational risk;
- inform Makena’s investment committee of any material operational deficiencies to assist in the investment decision-making process;
- monitor and report any material changes to Makena’s ongoing investments; and
- share industry best practices with managers, Makena staff and Makena clients

**B. Other Review of Client Accounts**

Please refer to Item 13.A above.

### **C. Client Reports**

Limited Partners in the Funds receive written quarterly (and in the case of the fixed income funds, monthly) capital account statements showing account activity since the last report, estimated or actual account value, unaudited performance information, and estimated and actual management fee and expense charges. Makena also provides Limited Partners copies of the annual audited financial statements and delivers an IRS Form 1065 and Schedule K-1 to each Limited Partner as promptly as practicable at the close of each fiscal year. In addition, Makena sends a quarterly letter to all MEP Limited Partners, and they are also invited to participate in a quarterly call hosted by Makena. Limited Partners in the Asset Class Feeder Funds, in addition to quarterly capital account statements, also receive periodic (at least yearly) written reports. Makena frequently prepares *ad hoc* reports in response to Limited Partner inquiries.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Other Compensation for Provision of Investment Advice**

Not applicable to Makena.

### **B. Compensation to Unsupervised Persons for Client Referrals**

As indicated in response to Section 7B(1)(28) of Form ADV, Part 1.A, Schedule D, Makena has entered into arrangements pursuant to which it compensates third parties that are not its supervised persons for limited partner referrals. In each case, Makena has granted these third parties a limited right to attempt to locate prospective Limited Partners in jurisdictions outside the United States. In general, Makena has agreed to pay these third parties a portion of the management fee Makena would otherwise receive based on the amount of assets these Limited Partners invest in the Funds.

## **ITEM 15. CUSTODY**

Makena is deemed to have custody of the Funds' assets by virtue of the fact that Makena and affiliates of Makena serve as the general partner or manager to the Funds. Accordingly, Makena and its affiliates comply with the custody requirements applicable to registered investment advisers pursuant to Advisers Act Rule 206(4)-2 (the "Custody Rule"). All of the Funds' assets, except for certain uncertificated securities purchased in private transactions (as further described below), are held with one or more "qualified custodians" as defined in the Custody Rule (i.e., banks or broker-dealers) that are unaffiliated with Makena.

Makena is exempt from the quarterly account statement delivery obligations and surprise audit requirement of the Custody Rule because each of the Funds is audited annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, in accordance with its rules. Additionally, the audited financial statements of each Fund are prepared in accordance with generally accepted accounting principles and are distributed to each Limited Partner within 120 days or 180 days (as applicable) of the end of the relevant Fund's fiscal year.

With respect to the portion of Makena's investment program that involves investments in certain private companies, Makena generally will be exempt from the requirement that securities be maintained with a "qualified custodian" when such securities are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

## **ITEM 16. INVESTMENT DISCRETION**

Makena has discretionary authority to manage securities accounts on behalf of the Funds, including the authority to invest assets held by the Funds with Portfolio Funds and Portfolio Managers. Individual Limited Partners in the Funds do not have the ability to impose limitations on Makena's discretionary investment authority. As explained in Item 4.C above, the investment strategy of each Fund is set forth in detail in such Fund's Governing Documents. Prospective Limited Partners are encouraged to carefully review such documents and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Limited Partners must also execute a subscription agreement, in which they make various representations, including representations regarding their sophistication and ability to assess and bear the risks of investment in a high-risk investment pool.

## **ITEM 17. VOTING CLIENT SECURITIES**

### **A. Proxy Voting Policy**

As noted, the Funds invest primarily in third-party Portfolio Managers who are responsible for the voting of proxies of any securities held in their portfolios.

With respect to securities in public companies that are directly owned by one or more of the Funds, Makena votes such proxies in the best interests of the Funds and in accordance with its policies and procedures. Makena subscribes to a third-party proxy tracking and management solution to assist in this process, and we have also retained an independent third-party proxy advisory firm so that we can have access to their recommendations. We do not, however, outsource our voting discretion to this firm or any other third parties.

If a material conflict of interest is identified with respect to voting in the interests of a client versus voting in the interests of Makena, Makena will act in the best interests of the client and in accordance with its policies and procedures.

### **B. Class Action Lawsuits**

Securities held in the accounts of the Funds will occasionally be the subject of class action lawsuits. Makena has engaged a third party to provide class action support services. As consideration for these services, the service provider receives a percentage of the Funds' share of the settlement distribution.

### **C. Inability to Vote Client Securities**

Not applicable to Makena.

## **ITEM 18. FINANCIAL INFORMATION**

### **A. Prepayment of Fees**

Not applicable to Makena.

### **B. Discretion over Prepaid Fees**

Not applicable to Makena.

**C. Bankruptcy**

Not applicable to Makena.