

Form ADV Part 2A: Firm Brochure

Matrix Private Capital Group LLC March 30, 2020

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This Brochure provides information about the qualifications and business practices of Matrix Private Capital Group LLC (“Matrix” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact Matrix at 212-756-8655 or email rkravitz@matrixpcg.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Matrix is also available on the SEC’s website at: www.adviserinfo.sec.gov.

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

Item 2. Material Changes

This Brochure has been compiled by Matrix to provide existing and prospective clients and investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. Matrix encourages all recipients of this Brochure to read it, as well as the governing documents applicable to their current or prospective investment, carefully in its entirety. From time to time, this Brochure may be amended to reflect changes in business practices, changes in regulations and routine annual updates as required by securities regulators. This is an annual amendment to the last annual amendment of this Brochure, dated March 28, 2019. This Brochure is being updated to reflect changes under Items 4, 5, 6, 7, 10, 12, 13, 15, 16 and 17.

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Item 4. Advisory Business

Matrix is an investment management firm that provides wealth advisory services and along with its affiliates sponsors a private investment fund and private special purpose co-investment vehicles. It is organized as a limited liability company under the laws of the State of Delaware and has been in business since December 2016. Matrix is primarily owned and controlled by Mr. Richard S. Fuld, Jr. Under the supervision and guidance of Mr. Fuld, the responsibility for the day-to-day operations of the wealth advisory business rests with Mr. Matthew Rubin who is an officer of Matrix. Following the departure of Mr. Justin Gaines, Matrix’s former Chief Compliance Officer (“CCO”), Matrix’s Chief Financial Officer, Mr. Richard Kravitz, is serving as the interim CCO of Matrix while the Adviser determines the permanent staffing of this position.

Mr. Thomas Deutsch serves as the portfolio manager of the private investment fund, Matrix Highline LP (“the Fund”). An affiliate of Matrix, Matrix Highline Management LLC (“Highline Management”) provides investment advisory services to the Fund. Such affiliate is organized as a limited liability company under the laws of the State of New York and is controlled by Matrix. Matrix Highline GP LLC (“Highline GP”) serves as the general partner of the Fund.

The private special purpose co-investment vehicles, Matrix Banff LP (“Banff”) and Matrix Veritas LP (“Veritas”, and together with Banff, (“SPVs”)), were formed for the sole purpose of co-investing alongside unaffiliated private equity firms in single deal transactions. An affiliate of Matrix, Matrix Banff GP LLC (“Banff GP”) provides advisory services to Banff. An affiliate of Matrix, Matrix Veritas GP LLC (“Veritas GP”) provides advisory services to Veritas. Such affiliates are organized under the laws of the State of Delaware.

Highline Management and Highline GP are presently registered (or treated as registered) as investment advisers under the Advisers Act, pursuant to Matrix's Form ADV in reliance on the positions expressed in the American Bar Association, Business Law Section and SEC No-Action Letter (January 18, 2012) (the “No-Action Letter”).

References herein to the “Adviser” or “Matrix” shall be deemed to include Highline Management, Highline GP, Banff GP, and Veritas GP where applicable.

Private Investment Fund

Matrix serves as an investment manager and provides discretionary advisory services to the Fund. The Fund is not registered under the Securities Act of 1933 or the Investment Company Act of 1940. Accordingly, interests or shares in the Fund are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements. Any such offer or solicitation of interests will be made pursuant to the confidential private offering memorandum (the “OM”) for the Fund which should be read carefully prior to investing for a description of the merits and risks of such an investment.

The assets of the Fund will be invested in accordance with the terms of its governing documents (the “Governing Fund Documents”). The Fund is organized to invest in a long/short portfolio primarily composed of publicly traded U.S. equities. The Fund’s investment strategy is described in greater detail under Item 8 below.

Private Special Purpose Co-Investment Vehicles

Matrix serves as a manager and provides management and advisory services to the SPVs. The SPVs are not registered under the Securities Act of 1933 or the Investment Company Act of 1940. Accordingly, interests or shares in the SPVs were offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements. Such offer or solicitation of interests was made pursuant to the subscription agreement and associated appendices for the applicable SPV.

The assets of the SPVs were invested in accordance with the terms of their governing documents.

Wealth Management/Managed Accounts

Matrix also provides customized wealth management and advisory services on a discretionary and non-discretionary basis (the “Managed Accounts,” and, together with the Fund, and the SPVs, “Clients”). Matrix’s wealth management approach is solutions-driven and incorporates traditional (fixed income and equities) and alternative asset classes. Matrix’s strategic approach to asset allocation is rooted in diversification (liquidity, geography, drivers of investment return) and risk management. Investment policy statements are created to ensure appropriate diversification and risk oversight and to help achieve specific client requirements and objectives.

Matrix’s recommendations are implemented through highly-vetted investment managers – both active and passive – across fixed income, equity and alternative asset classes. Matrix’s wealth solutions are guided by an understanding of a client’s values, goals and objectives in addition to information regarding their past investment experience, tax implications, financial status and particular risk tolerances.

Investment manager selection begins with initial investment manager due diligence. Investment managers are selected to supervise all or a portion of a client’s account. Separately managed accounts consisting of individual bonds and equities, mutual funds, exchange traded funds, limited partnerships and private placements may be utilized depending upon the specific objectives and circumstances of the client.

Matrix provides ongoing investment advisory services that are tailored to the individual needs of the client. Matrix may recommend, where appropriate, that certain Managed Accounts invest some portion of their assets in the Fund. If so, as described in Item 5 below, the Adviser would not charge its customary Management Fee (as defined below) in respect of any such assets invested in the Fund.

Client account supervision involves performance reporting and monitoring, ongoing manager due diligence, and continuous client consultation. Account supervision is guided by the stated objectives of the client and any restrictions imposed by the client, all of which are detailed within an investment policy statement.

As of December 31, 2019, Matrix managed 770 Client accounts on a discretionary basis with \$449,419,799 in assets under management.

Item 5. Fees and Compensation

General

Matrix provides investment advisory services to its Clients pursuant to separate investment management and/or limited partner agreements (the “Agreements”). The Agreements for each of its Clients, including the Fund and SPVs, along with the Governing Fund Documents, set forth in detail the fee structure relevant to each Client.

Matrix receives compensation from fees based on a percentage of assets under management (“Management Fee”) and incentive allocations (“Incentive Allocation”). Clients may be subject to certain other fees or expenses related to transactions (i.e. account maintenance fees, custodial fees,

transaction fees and fees charged by other investment managers as described below). Clients and investors should review all fees charged by Matrix and others to fully understand the total amount of fees to be paid by Clients, including the Fund and SPVs.

Private Investment Fund

Matrix generally charges a quarterly management fee plus a performance-based allocation in accordance with the Fund's OM. Matrix may waive or modify fees for investors at its discretion.

Matrix is entitled to receive fees and compensation as stated below. The information provided in this Brochure regarding fees and expenses is not intended to be complete or final and is qualified in its entirety by the OM for the Fund. Investors should read and review the OM of the Fund to fully understand the types of fees and expenses that are paid by the Fund.

Management Fees

The Fund will pay calendar quarterly management fees ("Management Fees"), in advance, of 0.25% (approximately 1% per annum) of the Fund's net asset value as of the opening of each quarter; *provided, however*, that such fees will be calculated at a lower rate of 0.125% (approximately 0.50% per annum) on the portion of the Fund's net asset value attributable to the Fund's initial \$25 million of partnership capital received from the Founding LPs. In Matrix's sole discretion, it may elect to charge a lower Management Fee, or no Management Fee, for any quarter to the Fund as a whole or to one or more Limited Partners.

Performance Based Allocation

Matrix will receive an annual performance allocation from each Limited Partner equal to 20% of the net profits of the Fund allocable to such Limited Partner for the year in question if not less than a 5% rate of return (the "Hurdle Rate") for such year is achieved; *provided, however*, that the performance allocation for Founding LPs will equal 10% of net profits in excess of the Hurdle Rate. Further, the performance allocation will be made for that year only if the *cumulative* net profits allocated to such Limited Partner from the date of such Limited Partner's first investment in the Fund through the end of that year exceed the "High Watermark" for such Limited Partner. The High Watermark is the highest level of cumulative net profits allocated to such Limited Partner as of the end of any prior year.

Other Expenses Allocated to the Fund

In addition to Management Fees and Performance Allocations, the Fund will be responsible for paying various operating expenses, transaction costs, and organizational and offering costs.

The operating expenses and transaction costs payable by the Fund are more fully disclosed in the relevant Fund Agreements. Such expenses include, but are not limited to, the following: any taxes or governmental charges payable by it, brokerage commissions and other transaction execution costs, custodial, clearing, research, data, and other general portfolio expenses, including portfolio and order management systems expenses, any finance charges, premiums for errors and omissions and other insurance, the Administrator's fees, the costs of preparing tax returns, financial statements

and reports, audit fees, any necessary financial or regulatory filing or reporting expenses and legal expenses, including any incurred in connection with any litigation involving the Fund and any judgments or amounts paid in settlement.

Private Special Purpose Co-Investment Vehicles

Matrix receives no management fee from Banff or Veritas. Matrix will receive a performance allocation (“carried interest”) from Limited Partners of Banff equal to 10% of their cumulative distributions in excess of their capital contributed. Matrix will receive carried interest from Limited Partners of Veritas equal to up to 12.5% of their cumulative distributions in excess of their capital contributed over a certain hurdle amount. The information provided in this Brochure regarding fees and expenses is not intended to be complete or final and is qualified in its entirety by the governing documents for each SPV. Investors should read and review the governing documents to fully understand the types of fees and expenses that are paid by each SPV.

Wealth Management/Managed Accounts

For Client relationships established prior to May 1, 2019:

Account fees are paid quarterly in advance and deducted from the client account each quarter. Should the account be opened on any day other than the first day of the quarter, the fee will be pro-rated based on the remaining days left in the quarter. Thereafter, the fee will be based on the account value on the last business day of the previous calendar quarter. Should a client wish to terminate an account on a date other than the last day of a calendar quarter, a pro-rated refund of unearned fees will be made based on the days left in the calendar quarter.

For Client relationships established May 1, 2019 and after:

Matrix will deduct advisory fees from the account(s) on a quarterly basis by applying one-fourth (1/4th) of the advisory fees rate after the last day of March, June, September, and December of each year. The advisory fees will be calculated based upon the average daily balance of the assets held during the billable (preceding) calendar quarter, taking into account all calendar days in which assets of the client were managed by Adviser.

Clients must provide notice of termination in accordance with the terms of the investment advisory agreement.

Discretionary Wealth Management

For discretionary wealth management services, Matrix’s Clients typically pay an annual fee of up to 1.5% on assets under management. The fees will be determined upon a number of factors including but not limited to, the scope and complexity of work, the size of client assets, and the amount of resources involved in providing the services. To the extent that the Adviser recommends that a client invests a portion of its assets in the Fund or SPV, the Adviser will not charge this annual fee in respect of such assets. Therefore, the client would only pay the fees in respect of any assets invested in the Fund or SPV. This is generally a quarterly management fee plus a performance-based allocation for the Fund and a performance-based allocation for the SPVs, as described above. A conflict of interest exists as Matrix’s compensation may be higher when Client assets are invested in the Fund or SPVs as a result of the performance-based allocation. In addition, wealth advisers

receive a portion of the performance-based allocation of SPVs through ownership of the general partner. The amount of the wealth advisers' clients that invest in the SPV is a factor in determining ownership of the general partner. This creates a conflict of interest as wealth advisers have an incentive to recommend that Client assets are invested in the SPVs. Matrix only recommends that a Client invest its assets in the Fund or SPVs when Matrix believes the investment is in the Client's best interest.

Non-discretionary Advisory Services

For non-discretionary assets under advisement, the Adviser's Clients typically pay an annual fee equal to 0.20% based on the value of assets under advisement. Additionally, Matrix may provide non-discretionary advisory services for a fixed fee which will be negotiated on a client-by-client basis.

Other Fees and Expenses

Clients may also be subject to other fees paid to third parties including account maintenance fees, custodial fees, transaction charges, and fees charged by other investment managers in addition to the fees outlined above. In addition to Matrix's fees, Clients may also incur the management fees and any other expenses of any mutual funds or other investment vehicles that Matrix selects for a Client's portfolio. Since these fees and expenses are typically deducted directly from the investment vehicle, they are not necessarily obvious to shareholders but they represent a real cost to Clients. Matrix does not charge or collect any fees or expenses other than management fees and Incentive Allocations.

Expenses that are incurred in relation to multiple Clients will be allocated between such Clients using a methodology that Matrix deems to be fair and reasonable in its sole discretion.

Item 6. Performance Based Fees and Side-by-Side Management

As indicated in Item 5, Matrix collects performance-based fees from the Fund and SPVs in accordance with each of the limited partnership agreements governing those entities.

Matrix receives performance-based compensation in the form of an Incentive Allocation from the limited partners of the Fund and SPVs. Because the performance compensation is calculated on an annual basis which includes unrealized appreciation of the Fund's portfolio, it may be greater than if such compensation were based solely on realized gains. These fees may create an incentive to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such incentive fees were not allocated to Matrix.

The Adviser has adopted aggregation and allocation of investments procedures (the "Allocation Procedures") designed to ensure that all of its Clients are treated fairly and equally and to prevent the aforementioned conflict from influencing the allocation of investment opportunities among its Clients. The Adviser will offer Clients the right to participate in all investment opportunities that it determines are appropriate for the Client in view of relative amounts of capital available for new investments, the investment programs and strategies, and the portfolios of its Clients. In accordance

with its Allocation Procedures, the Adviser will endeavor to treat each of its Clients in a fair and equitable manner. The strategies for the Fund and SPVs are different than the strategies for Managed Accounts that are traded by Matrix.

Item 7. Types of Clients

Matrix serves as investment manager to the Fund, SPVs and Managed Accounts.

Investors in the Fund may include, but are not limited to, high net worth individuals, trusts, estates, endowments, foundations and family offices. The minimum commitment for an Investor in the Fund is outlined in the Governing Fund Documents but is typically \$500,000; however, Matrix maintains discretion to accept less than the minimum investment threshold.

Matrix primarily provides customized wealth management and advisory services to high net worth individuals and families and their associated trusts, estates, and other legal entities. Matrix also provides advisory services to small and medium-sized institutions such as foundations and endowments. The Adviser does not impose a minimum account size to become an advisory client; however, investment managers recommended by Matrix may require a minimum amount of investable assets to open and maintain an account.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Private Investment Fund

Matrix will manage the Fund in accordance with the terms of the relevant Governing Fund Documents. The Fund will endeavor to deliver superior long-term capital appreciation and will seek to outperform broad U.S. equity market indices over both medium- and long-term investment horizons. The Fund's portfolio is expected to consist of 10 to 20 investments at any point in time. The Fund will invest primarily in publicly-traded U.S. equity securities, but may also have selective exposure to American Depository Receipts of foreign companies. The Fund generally expects to be fully, or nearly fully, invested in securities at all times, but Fund assets may from time to time be invested in short-term money market investments pending longer-term investment or for defensive purposes. Most of the Fund's investment positions will have a medium-to-long-term time horizon, but the Fund will also engage to some extent in shorter-term, tactical trading. The Fund's portfolio will not be focused on any particular industry or sector and will include small, medium and large capitalization companies.

Risk of Loss

Investors in the Fund should understand that all investments involve risk and there can be no guarantee against loss resulting from an investment in the Fund. Further, there can be no assurance that the objectives of the Fund will be achieved. As with any investment in securities, the value of and return on an investment in the Fund can decrease as well as increase, depending on a variety of factors, including general economic conditions and market factors. The investment decisions may not always be profitable nor will they always be correct. Further, an investment in the Fund is not intended as a complete investment program.

The above discussion of certain risks involved in carrying out the Fund's investment strategies does not represent a full accounting of all risks. Investors should refer to the Fund's OM for additional information relating to investment risks.

Wealth Management/Managed Accounts

Method of Analysis and Investment Strategy

Matrix's wealth management process is customized to the specific objectives of the Client and addresses four key areas: 1) Understanding Client; 2) Asset Allocation; 3) Portfolio Design; and 4) Ongoing Communication.

- 1) The first step in Matrix's wealth management process involves a thorough understanding of a Client. Matrix seeks to understand a Client's values, goals, family structure, liquidity profile, spending needs, previous investment experience, tolerance for risk, time horizon, tax considerations, investment restrictions, charitable giving intentions and intergenerational planning expectations. These are all important inputs that will influence a Client's investment policy statement, asset allocation and portfolio design.
- 2) Matrix's asset allocation approach is solutions-driven and incorporates a strategic (long term) and tactical (near term) framework. The strategic asset allocation framework seeks an optimal balance of risk and return through prudent diversification. Matrix distills an expansive investable universe into understandable categories such as Growth Capital, Capital Preservation, Inflation Hedges and Opportunistic Investments. The allocation to these categories and underlying asset classes is influenced by the goals and objectives of the Client. Matrix's tactical asset allocation framework assesses near-term market opportunities and risks and takes into account the stage of the business cycle. Investment policy statements are created for every Client, which embodies the specific circumstances of the Client, sets asset class targets and boundaries, and governs the management of a portfolio.
- 3) Portfolio design is the process in which Matrix evaluates and selects investment strategies – both active and passive – within a respective asset class. Selection of investment strategies is based upon a combination of both quantitative and qualitative analysis.

The qualitative due diligence of investment strategies is conducted on a firm's parent company and people; investment process; performance; and portfolio fit. Matrix seeks out stable organizations and managers with strong pedigrees in their specific investment discipline. Matrix seeks out managers of investment strategies that employ a coherent and repeatable investment process and have displayed a long track record of doing so. Matrix seeks out managers that have a proven history of delivering excess returns above and beyond a manager's relevant (not necessarily stated) benchmark. And Matrix evaluates how an investment strategy will fit within the context of a Client's broader asset allocation.

Quantitatively, Matrix evaluates a strategy's investment performance compared to relevant benchmarks and peer group over a market cycle and static time periods. Matrix also reviews a strategy's assets under management, liquidity, fees, portfolio exposures, turnover, fund structure and tax efficiency.

Ongoing due diligence is conducted on all investment strategies being utilized in Client portfolios.

- 4) Lastly, ongoing communication with a Client is a critical component of Matrix's wealth management process. Utilizing an integrated technology platform, Matrix aggregates portfolio data, reports on performance and assesses portfolio risks. Matrix communicates with Clients and discusses how their goals and circumstances evolve over time.

The method(s) and investment strategies described above involve certain risks. A summary of the principal risks is set out below.

Summary of the Principal Investment Risks

The description below is an overview of the risks entailed in Matrix's investment strategies and is not intended to be complete. All investing involves the risk of loss and the investment strategy offered by Matrix could lose money over short or long periods. Performance could be hurt by a number of different market risks including but not limited to:

Market Risk - The success of Client portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barrier, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in Client portfolios. Such volatility or illiquidity could impair profitability or result in losses.

Equity Securities - Equity investments are volatile and will increase or decrease in value based upon issuer, economic, market and other factors. Small capitalization stocks generally involve higher risks in some respects than do investments in stocks of larger companies and may be more volatile. The securities of non-U.S. issuers also involve a high degree of risk because of, among other factors, the lack of public information with respect to such issuers, less governmental regulation of stock exchanges and issuers of securities traded on such exchanges and the absence of uniform accounting, auditing and financial reporting standards. The non-U.S. domicile of such issuers and currency fluctuations may also be factors in the assessment of financial risk to the investor. Foreign securities markets are often less liquid than U.S. securities markets, which may make the disposition of non-U.S. securities more difficult. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

Fixed Income Securities - Investments in fixed income securities are subject to credit, liquidity, prepayment, and interest rate risks, any of which may adversely impact the price of the security and result in a loss. The municipal market can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

Exchange-Traded Funds (ETFs) - ETFs are typically investment companies that are legally classified as open end mutual funds or Unit Investment Trusts. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF

shares may trade at a discount or premium to their net asset value. The difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

Alternative Investments - Alternative investments, such as hedge funds and private equity/venture capital funds, including through co-investment special purpose vehicles, are speculative and involve a high degree of risk. There is no secondary market for alternative investments and there may be significant restrictions or limitations on withdrawing from or transferring these types of investments. Private equity funds generally require an investor to make and fund a commitment over several years. Alternative investments generally have higher fees (including both management and performance based fees) and expenses that offset returns. Alternative investments are generally subject to less regulation than publicly traded investments.

Third-Party Managers - The use of third-party managers in investment programs involves additional risks. The success of the third-party manager depends on the capabilities of its investment management personnel and infrastructure, all of which may be adversely impacted by the departure of key employees and other events. The future results of the third-party manager may differ significantly from the third-party manager’s past performance. While Matrix intends to employ reasonable diligence in evaluating and monitoring third-party managers, no amount of diligence can eliminate the possibility that a third-party manager may provide misleading, incomplete or false information or representations, or engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, insider trading, misappropriation of assets and unsupported valuations of portfolio securities.

The investment risks described above represent some but not all of the risks associated with various types of investments and investment strategies. Clients should carefully evaluate all applicable risks with any investment or investment strategy, and realize that investing in securities involves risk of loss that Clients should be prepared to bear. Clients should also refer to the private placement memoranda of the private funds for additional information relating to investment risks.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or investor’s evaluation of the adviser or the integrity of the adviser’s management. Neither Matrix nor any of its officers, directors, employees or other management persons have been involved in any legal or disciplinary events that would require disclosure in response to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Matrix organizes and sponsors the Fund and SPVs. Matrix will be responsible for all decisions regarding portfolio transactions of the Fund and has full discretion over the management of its investment activities. The SPVs have fulfilled their investment objective to co-invest alongside

unaffiliated private equity firms in a single deal transaction. Various affiliates of Matrix will serve as managing member, general partner or special shareholder (depending on the legal structure used) of the Fund and SPVs. As discussed in Item 4 and Item 5 above, Matrix may recommend, where appropriate, that certain Managed Account assets be invested in the Fund and/or SPVs. To the extent that Matrix recommends that a Client invests a portion of its assets in the Fund or SPV, Matrix will not charge the annual wealth management fee in respect of such assets. The Client would only pay the fees for the applicable Fund or SPV. However, a conflict of interest exists as Matrix's compensation may be higher when Managed Account assets are invested in the Fund or SPVs as a result of the performance-based allocation. In addition, wealth advisers receive a portion of the performance-based allocation of SPVs through ownership of the general partner. The amount of the wealth advisers' clients that invest in the SPV is a factor in determining ownership of the general partner. This creates a conflict of interest as wealth advisers have an incentive to recommend that Client assets are invested in the SPVs. Matrix only recommends that a Client invest its assets in the Fund or SPVs when Matrix believes the investment is in the Client's best interest.

Matrix and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Matrix shares limited office facilities. Matrix has implemented policies and procedures with respect to operating in the shared space, including protecting confidential information through physical and electronic safeguards and preventing the misuse of material non-public information.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Matrix has adopted a written Code of Ethics (the "Code"). The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Matrix (the "Employees"). A summary of the Code is provided below. However, a full copy of the Code will be made available to Clients and investors upon request.

The Code places restrictions on personal trades by Employees, including that they disclose their personal securities holdings and transactions to Matrix on a periodic basis, and requires that Employees pre-clear certain types of personal securities transactions. Matrix and its Employees may invest on behalf of themselves in securities that would be appropriate for, held by, or may fall within the investment guidelines of Clients, subject to a pre-clearance process for certain types of transactions.

Item 12. Brokerage Practices

Broker Selection and Best Execution

Private Investment Fund

Matrix is authorized to determine the broker-dealer to be used for each securities transaction for the Fund. In determining the broker-dealer to be used, Matrix will conform to and be in accordance with the provisions of the Fund Agreement and OM.

Matrix will generally attempt to obtain the lowest net price and best execution available, consistent with the Fund's investment objectives and good practice. However, while Matrix will always seek reasonable commission rates, it need not obtain competitive bids for brokerage services and the Fund will not necessarily pay the lowest commission or smallest spread available.

Currently, Matrix has an arrangement with Cowen Prime Services LLC ("Cowen") to serve as the Fund's prime broker. While Matrix has the ability to trade with other brokers, Matrix intends to conduct the majority of its trading activity through Cowen. In addition to competitive pricing, Matrix believes that Cowen provides several other services that are important to the Fund's investment performance and operations. Matrix reasonably believes that the arrangement with Cowen minimizes brokerage costs and contributes to best execution.

In utilizing Cowen or selecting any other broker and in determining the reasonableness of brokerage commissions charged, Matrix will consider such factors as price, quality of execution, specialized expertise, the ability of a broker to effect a particular type of transaction and the broker's facilities, reliability and overall expertise, experience and reputation. In particular, Matrix may take into account the fact that Cowen or the broker utilized has furnished, or has agreed to furnish, without charge, Matrix or their affiliates with research or other information or services which may be of benefit to them generally, whether or not such information or services are of any benefit to the Fund.

Such services may take the form of research and analysis services, special execution capabilities, clearance, settlement, reputation, net price, on-line pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding client accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, supplies, financial strength and stability, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, referral of prospective Fund investors or advisory Clients, custody, record-keeping and similar services, and payment of all or a portion of the Fund's or Matrix's costs and expenses of operation, such as office rent, employees' salaries, news wire and data processing charges, quotation services, periodical subscription fees, office equipment, telephone charges, accounting fees, legal fees and the like.

If such services are obtained without charge, Matrix may be deemed to be paying for such other services by directing the Fund's order flow and commissions to the brokers providing them. Such "soft dollar" arrangements may satisfy the "safe harbor" standards contemplated under Section 28(e) of the Securities Exchange Act of 1934 for the purchase with soft dollars of "brokerage and research services" that provide lawful and appropriate assistance to an investment manager in the performance of its investment decision-making responsibilities. In addition, to qualify for such "safe harbor," the amount of commissions paid by the Fund must be reasonable in light of the value of the brokerage or research services provided by the broker, taking into account various factors, including commission rates and the broker's financial responsibilities and execution efficiency. Accordingly, if Matrix determines that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and the research and other information and services provided by the broker, the Fund may pay commissions to such broker in an amount greater than what another broker might charge.

Private Special Purpose Co-Investment Vehicles

Matrix purchases private securities on behalf of the SPVs. As a result, Matrix does not anticipate purchasing or selling securities in the SPVs through a broker-dealer.

Wealth Management/Managed Accounts

When a Client agrees to discretionary management, Matrix will be responsible for asset allocation and selecting investment managers. The only limitations on the investment authority will be those limitations imposed in writing by the Client.

If Matrix retains an investment manager for the Client, Matrix reserves discretion to hire and fire the investment manager on the Client's behalf. For the investment managers that Matrix selects to manage assets, Clients should review their disclosure document(s) for more information on their policy with regard to investment or brokerage discretion.

In the course of providing wealth management services, the investment managers Matrix selects to manage assets will execute trades for Clients through broker-dealers. When a Client has given Matrix broker discretion, there is no restriction on the brokers Matrix may select to execute client transactions. The general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, Matrix considers a number of factors, including the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, Matrix's past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, Matrix may select broker-dealers that charge fees that are higher than the lowest available fees.

Matrix has no preference where Clients custody assets or the brokers that are selected for trading.

Absent an existing brokerage relationship, Matrix will assist the Client with developing a relationship with Fidelity Clearing & Custody Solutions or Charles Schwab & Co., Inc. (the "Broker"). Matrix will make recommendations based on the needs of the Client and the services provided by the Broker. While there is no direct affiliation or fee sharing arrangement between Matrix and the Broker, Matrix receives substantial back office support and research which would not be received if Matrix did not have an established relationship with the Broker.

A Client may direct Matrix in writing to use a particular broker-dealer to execute all transactions for a Client's account. When a Client selects the Broker to be used for his account, the commission rates are decided between the Client and their Broker. In addition, Matrix does not have any responsibility to obtain for the Client from any such Broker the best prices or particular commission rates, and the Client may not obtain rates as low as might otherwise be obtained if Matrix had discretion to select broker-dealers other than those chosen by the Client.

Allocation and Aggregation of Orders***Private Investment Fund***

Matrix and their affiliates may trade for its or their own account and for the account of other funds, managed accounts or other investment vehicles established by them. In such event, Matrix may aggregate sale and purchase orders of securities held by the Fund with similar orders made simultaneously for other accounts if, in Matrix's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Fund based on relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In some instances, the purchase or sale of securities for the Fund may be effected simultaneously with the purchase or sale of like securities for other accounts. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. Currently, the Fund has a different strategy than other Client accounts that are traded by Matrix. As a result, Matrix generally trades the Fund on an individual basis and thus does not typically aggregate Fund trades with trades of other Client accounts. Not aggregating may result in higher costs.

Private Special Purpose Co-Investment Vehicles

Matrix purchases private securities on behalf of the SPVs. As a result, Matrix does not anticipate aggregating the purchase or sale of securities in the SPVs.

Wealth Management/Managed Accounts

When Matrix deems the purchase and sale of securities to be in the best interest of a Client and any other accounts or entities (including, without limitation, the Funds), Matrix and its affiliates may aggregate the securities to be purchased or sold in order to obtain superior execution and/or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such events, allocation of the securities purchased or sold, as well as expenses incurred in the transaction, will be made among the Clients participating in the transaction by applying such considerations as Matrix, and its affiliates deem appropriate, including relative account size of such accounts and entities, amount of available capital, size of existing positions in the same or similar securities, impact of leverage, tax considerations and other factors. Most trades placed by Matrix in Managed Accounts are mutual funds and ETFs from which benefits from trade aggregation are limited. As a result, Matrix generally trades Client accounts on an individual basis and thus does not typically aggregate trades. Not aggregating may result in higher costs. Clients are not necessarily entitled to investment priority over other accounts or entities managed by Matrix and may not participate in every investment opportunity. Matrix will endeavor to make all investment allocations in a manner that it considers to be the most equitable to all Clients.

Item 13. Review of Accounts

Private Investment Fund

All investments are reviewed by the Fund's investment team who ultimately approve all investments. Investments within the Fund's portfolio are reviewed on a daily basis and the Fund's investment personnel will meet regularly to discuss items such as portfolio positioning, risk limits, and execution results.

To each Fund investor, Matrix's Administrator will distribute net asset value statements in a timely fashion, targeting no more than ten days following each calendar quarter, and annual audited financial statements within 120 days of the fiscal year end. In addition, Matrix will provide to each Fund investor a quarterly investor letter.

On request, due to legal/regulatory requirements and/or specific needs and requests by certain investors, Matrix may at its discretion, agree to provide more frequent reporting and/or certain reports other than those described above, including but not limited to risk factor exposure reports, and category attribution estimates.

Private Special Purpose Co-Investment Vehicles

All investments are reviewed by the investment team of each SPV. To each SPV investor, Matrix will send quarterly net asset value statements in a timely fashion and annual audited financial statements within 180 days of the fiscal year end.

Wealth Management/Managed Accounts

Matrix reviews Client accounts on a routine basis. Matrix reviews the fees charged to the account, reviews trading in the account against any client-directed restrictions, and reviews the performance of the account. Matrix meets and communicates with Clients as circumstances warrant and reviews any changes in their financial goals or profile which would require any changes in their asset allocation.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. Matrix supplements these custodial statements with monthly or quarterly reports as requested by the Client. Such reports may include positions analysis, concentration exposures, cost basis and performance data that is customized to the circumstances of the Client.

Item 14. Client Referrals and Other Compensation

Matrix does not directly or indirectly compensate any third party for Client referrals and does not receive any economic benefits from non-clients in connection with the provision of investment advice to Clients.

Item 15. Custody

Regarding the Fund and SPVs, Matrix (or an affiliate) is deemed to have custody of Client assets due to serving as the general partner to limited partnerships. The Adviser intends to comply with Rule 206(4)-2 under the Adviser's Act (the "Custody Rule") by meeting the conditions of the pooled vehicle annual audit provision.

Regarding the Managed Accounts, all Client accounts are held in custody by unaffiliated broker-dealers or banks. Matrix can access many Client accounts through its ability to debit advisory fees and is therefore considered to have custody of Client assets. In addition, Matrix is deemed to have custody as a result of standing letters of authorization ("SLOA") in place from clients that allow Matrix to direct the custodian to send client funds to designated third parties based on the SLOA.

Advisers relying on SLOAs to make certain disbursements on behalf of the client will not be subject to surprise independent asset verifications if: a) each such client provides written instructions to the custodian regarding specific transactions that the client authorizes the custodian to disburse upon request of Matrix and provides Matrix with written instructions that explicitly describe the specific transactions that the client authorizes Matrix to disburse, b) the custodian verifies these instructions when executing each transaction and confirms these instructions at least annually with Matrix, c) Matrix maintains records showing that disbursements are not made to a related person of Matrix or located at the same address as Matrix, and d) Matrix has no ability to change any routing information regarding such disbursements and the client can terminate such relationship at any time. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Matrix.

Item 16. Investment Discretion

Private Investment Fund

The Fund's governing document provides that Matrix has exclusive and absolute discretion and authority in managing and controlling the business and affairs of the Fund, subject only to specific and express limitations provided therein. Matrix has discretionary authority to determine, without obtaining specific consent from investors, the securities and the amounts to be bought or sold on behalf of the Fund.

Matrix's investment decisions and advice with respect to the Fund are subject to the Fund's investment objectives and guidelines, as set forth in the OM and/or other governing documents. Matrix has executed an Investment Management Agreement, or similar agreement, with the Fund, pursuant to which Matrix was granted discretionary trading authority.

Matrix has discretion to agree with certain investors to waive or modify the application of certain terms applicable to such investor in a side letter or in any other manner, without obtaining the consent of any other investor in the Fund. For example, Matrix may agree to, among other things, more frequent liquidity, special rights to make future investments in the Fund, waiver of the applicable minimum investment amounts, reduction or waiver of fees, rights to receive reports from the Fund on a more frequent basis or that include information not provided to other investors (e.g., more detailed information regarding portfolio positions).

Private Special Purpose Co-Investment Vehicles

Matrix has been retained to provide management, advisory, and related services to the SPVs on a discretionary basis. Matrix's investment decisions and advice with respect to the SPVs is subject to the investment objectives of each SPV and guidelines, as set forth in the applicable governing documents.

Wealth Management/Managed Accounts

Matrix typically has investment discretion over Client accounts. Client accounts are managed in accordance with the Client's investment policy statement. For accounts handled on a discretionary

basis, Matrix typically has the authority to select investment managers to oversee Client assets without obtaining consent subject to any reasonable restrictions placed by the Client. Clients grant Matrix discretion through the execution of a limited power of attorney included in the investment advisory agreement.

Item 17. Voting Client Securities

Private Investment Fund

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Matrix has adopted and implemented written policies and procedures governing the voting of client securities. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “Proxies”), in a prudent and diligent manner that will serve the Fund’s best interest and is in line with the Fund’s investment objectives.

Matrix may take into account all relevant factors, as determined by Matrix in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the Fund and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, Matrix may refrain from voting Proxies where Matrix believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to the Fund, such as when it anticipates holding the securities for a very short period of time (that happens to fall on the applicable voting record date). Generally, investors and the Fund may not direct Matrix’s vote in a particular solicitation.

Matrix has retained ISS Governance Services (“ISS”) to assist in the proxy voting process. The Fund’s investment team manages Matrix’s relationship with ISS. The Fund’s investment team ensures that ISS votes all proxies in accordance with Matrix’s general guidance and retains all required documentation associated with proxy voting.

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

As a fiduciary, Matrix will evaluate whether the Fund will participate in shareholder class action litigation and similar matters. Matrix will not participate in class action litigation unless it has been determined that it would be in the best interest of the Fund. Matrix generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs. Matrix’s Chief Compliance Officer will maintain documentation associated with the Fund’s participation in class actions.

Private Special Purpose Co-Investment Vehicles

Matrix does not expect to receive proxies for investments held in the SPVs. However, should matters arise in which Matrix does receive a proxy, Matrix will vote each proxy in accordance with

its fiduciary duty to the SPV. Matrix will generally seek to vote proxies in a way that maximizes the value of the SPV's assets as determined by Matrix in good faith. The SPV's investment team will coordinate the proxy voting process.

Wealth Management/Managed Accounts

As a matter of policy, Matrix disclaims any responsibility for voting Client securities. Clients may contact Matrix for advice or information about a particular proxy vote, but Matrix does not exercise proxy voting authority over Client securities and should not be designated by custodians as the party to receive information on voting Client proxies. The obligation to vote proxies rests with the Client. Also, Matrix does not direct Clients' participation in class actions. The CCO will determine whether to return any documentation inadvertently received regarding Clients' participation in class actions to the sender, or to forward such information to the appropriate Clients.

Item 18. Financial Information

A balance sheet is not required to be provided as Matrix (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients, or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.

The operations of Matrix are financially supported by its parent company, which in turn receives its funding from Mr. Richard S. Fuld, Jr., and all commitments are satisfied on a monthly basis.