

Form ADV Part 2A: Firm Brochure

Matrix Private Capital Group LLC March 26, 2024

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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 sscher@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 Brochure dated March 26, 2024, is an annual amendment to the last annual amendment, dated March 30, 2023. Material updates were made to the following:

- **Item 4 – Advisory Business:** removed consulting services and added references to Matrix Denali LP and Matrix Denali GP LLC.
- **Item 5 – Fees and Compensation:** removed consulting services and added references to Matrix Denali LP.

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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 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. Matrix’s Chief Financial Officer, Mr. Seth Scher, is serving as the Chief Compliance Officer (“CCO”) of Matrix.

The private special purpose co-investment vehicles, Matrix Banff LP (“Banff”), Matrix Veritas LP (“Veritas”), and Matrix Denali LP (“Denali,” and altogether, (“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. An affiliate of Matrix, Matrix Denali GP LLC (“Denali GP”) provides advisory services to Denali. Such affiliates are organized under the laws of the State of Delaware.

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

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 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. Portfolio policies are created to ensure appropriate diversification and risk oversight and to help achieve specific client requirements and objectives.

Matrix’s recommendations are generally 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. 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 typically detailed within portfolio policies.

Retirement Plan Rollovers – No Obligation / Conflict of Interest

A client or prospective client leaving an employer has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Matrix recommends that a client roll over their retirement plan assets into an account to be managed by Matrix, such a recommendation creates a conflict of interest if Matrix will earn new (or increases its current) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Matrix.

As of December 31, 2023, Matrix managed \$447,233,913 in assets under management on a discretionary basis.

Item 5. Fees and Compensation

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 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 carried interest ("Carried Interest"). 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 SPVs.

Private Special Purpose Co-Investment Vehicles

Matrix receives no management fee from Banff or Veritas. Matrix will receive a management fee equal to 0.25% per annum of the total amount of capital invested by Denali into the Co-Invest Vehicle. The management fee shall be payable quarterly in arrears. Matrix will receive 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. Matrix will receive Carried Interest from Limited Partners of Denali equal to 15% of their cumulative distributions in excess of their capital contributed.

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 generally 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 generally 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 based 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 an 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 an SPV. This is generally 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 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 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 will typically pay no more than an annual fee equal to 1.5% 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 and transaction charges 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 may hire other investment advisers to manage Client accounts. The fees paid to other investment advisers will be separately charged to the Client by the other investment adviser. Fees charged by other investment advisers typically range from 0.10% to 0.85%. Fees for other investment advisers are generally deducted from the client account each quarter by the other investment adviser. These fees are separate from, and in addition to, any fees payable to Matrix outlined above. Matrix does not receive any economic benefits from any third-party managers. Matrix does not charge or collect any fees or expenses other than management fees and Carried Interest.

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 SPVs in accordance with each of the limited partnership agreements governing those entities.

Matrix receives performance-based compensation in the form of Carried Interest from the limited partners of the SPVs. 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 SPVs are different than the strategies for Managed Accounts that are traded by Matrix. Currently, the investments held in the account that pays a performance-based fee are not consistent with the investment policies of any other accounts managed by Matrix.

Item 7. Types of Clients

Matrix serves as investment manager to SPVs and Managed Accounts.

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. 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

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 portfolio policies, asset allocation and portfolio design.
- 2) Matrix's asset allocation approach is solutions-driven and incorporates a strategic (long term) and, potentially, tactical (near-term) framework. The 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 asset allocation framework assesses near-term market opportunities and risks and takes into account the stage of the business cycle. Portfolio policies are generally created for Clients, 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.

Matrix currently employs a third party to conduct research and due diligence on managers. The qualitative due diligence process 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, coherent and repeatable investment processes and managers who have displayed a 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 unsupportable 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 offering documents of any relevant 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 SPVs. Matrix will be responsible for all decisions regarding portfolio transactions of the SPVs and has full discretion over the management of their investment activities. Various affiliates of Matrix will serve as managing member, general partner or special shareholder (depending on the legal structure used) of the SPVs. As discussed in Item 4 and Item 5 above, Matrix may recommend, where appropriate, that certain Managed Account assets be invested in one or more of the SPVs. To the extent that Matrix recommends that a Client invests a portion of its assets in one or more of the SPVs, Matrix will not charge the annual wealth management fee in respect of such assets. The Client would only pay the fees for the applicable SPV. However, a conflict of interest exists as Matrix's compensation may be higher when Managed Account assets are invested in the 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 one or more of the SPVs when Matrix believes the investment is in the Client's best interest.

Affiliates of Matrix provide strategic advisory services to businesses, including certain publicly-traded companies. These arrangements create conflicts of interest. Matrix employs certain privacy measures, confidentiality agreements and other processes to mitigate these conflicts. When appropriate, Matrix will introduce Client businesses for strategic advisory services. Wealth advisers who introduce businesses to applicable affiliates receive a portion of the compensation received by such affiliate from the business. This relationship, along with any compensation received by Matrix's owners or its wealth advisers, creates a conflict of interest to the extent that Matrix recommends the services of affiliates; however, Matrix and its wealth advisers will only recommend the services of any affiliates when it is believed the Client's business would benefit from their services.

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.

Matrix's owner has an ownership interest in other businesses. Some of these businesses engage in investment-related activities, including a broker-dealer. Matrix does not direct any trades to the broker-dealer. All such investments are subject to Matrix's code of ethics reporting requirements.

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 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 generally trades via the client's chosen custodian.

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 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 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

Most trades recommended 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. However, when Matrix believes Client accounts would benefit from trade aggregation, Matrix 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. 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 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 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 and to notify Matrix of any questions or concerns. Clients should promptly notify Matrix if the custodian fails to provide statements at least quarterly.

Item 16. Investment Discretion

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 portfolio policies. 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 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.