

ANTI-MONEY LAUNDERING

Background

The USA PATRIOT Act does not currently require anti-money laundering (“AML”) policies or procedures for registered investment advisors or private funds. Nonetheless, many advisers implement AML policies and procedures because of the potential consequences of becoming associated with money laundering. Additionally, investment advisers that are affiliated with other financial institutions or offshore private funds may be subject to AML statutes because of those affiliations.

AML policies and procedures typically involve:

- Designating an individual to oversee the policies and procedures;
- Implementing internal controls designed to detect and prevent money laundering;
- Conducting periodic testing to ensure that the internal controls are functioning as intended; and
- Conducting periodic training to help Employees identify suspicious activities and respond appropriately.

Risks

In developing these policies and procedures, Maven considered numerous risks associated with money laundering. This analysis includes risks such as:

- Law enforcement officers suspect that a Client or Investor is engaged in illegal money laundering activities, resulting in significant disruptions to Maven’s operations;
- Clients or Investors maintain accounts with shell banks or foreign financial institutions that lack strong AML policies and procedures;
- Maven accepts Clients or Investors that are identified by the Treasury Department’s OFAC list as being involved in terrorism or other illegal activities;
- Maven invests Client assets in companies that engage in money laundering or other illegal activities, causing law enforcement officers to question whether Maven or its Clients are financing such activities; and
- Maven lacks AML policies and procedures.

Maven has established the following guidelines as an attempt to mitigate these risks.

Policies and Procedures

Maven intends to comply with the spirit of certain provisions of the USA PATRIOT Act regarding the prevention of money laundering, as described below.

Investor Reviews

Maven will require all Investors in the Private Funds to affirmatively make certain representations in a subscription agreement or similar document. Maven will also check Investor names against applicable regulatory watch lists at the time of initial investment and upon any approved transfer of a Private Fund interest. To the extent that there is a match or possible match between the Investor and the regulatory watch lists, Maven will document this and may consult with legal counsel or outside compliance consultants to determine whether any regulatory filings need to be made or other steps need to be taken.

Contacts from Regulatory Authorities

Any communications from regulatory authorities regarding suspected money laundering or other potentially illegal activities must immediately be reported to the CCO. The CCO will coordinate Maven's response to the communication and will involve Outside Counsel as necessary.

Suspicious Activities and Arrangements

Employees should report any activities or arrangements that appear suspicious or indicative of money laundering to the CCO, even if the account in question is held in custody by a reputable bank or broker-dealer.

The CCO, with the assistance of Outside Counsel, will determine whether Maven should report potentially suspicious activity to the Treasury Department's Financial Crimes Enforcement Network.

Controls Instituted by Third Parties

Accounts under Maven's management are typically held in custody by reputable banks and broker-dealers that have instituted their own robust customer identification and AML policies and procedures. Before commencing management of an account at a new bank or broker-dealer, the CCO may request a summary of the bank or broker-dealer's customer identification and AML procedures. If these procedures appear reasonable to the CCO, then Maven will not take additional AML steps unless an Employee identifies suspicious activities or arrangements.

Portfolio Management

Maven will seek to avoid investing in companies that engage in money laundering, terrorist financing, or other illegal activities in order to avoid the appearance that Maven supports or is financing such activities. Maven's investment professionals must take reasonable steps to evaluate the risk that the issuer of a security is participating in money laundering, terrorist financing, or other illegal activities. Investment professionals should consult with the CCO if they perceive a material risk in connection with any current or prospective investment.