

# INSIDER TRADING

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## *Background*

Section 204A of the Advisers Act requires every investment adviser to establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such investment adviser's business, to prevent the misuse of Material Nonpublic Information by such investment adviser or any associated person. In the past, the Federal Securities Laws have been interpreted to prohibit the following activities:

- Trading by an insider while in possession of Material Nonpublic Information;
- Trading by a non-insider while in possession of Material Nonpublic Information, where the information was disclosed to the non-insider in violation of an insider's duty to keep it confidential;
- Trading by a non-insider who obtained Material Nonpublic Information through unlawful means such as computer hacking; and
- Communicating Material Nonpublic Information to others in breach of a fiduciary duty.

## **What Information is Material?**

Many types of information may be considered material, including, without limitation, advance knowledge of:

- Dividend or earnings announcements;
- Asset write-downs or write-offs;
- Additions to reserves for bad debts or contingent liabilities;
- Expansion or curtailment of company or major division operations;
- Merger, joint venture announcements;
- New product/service announcements;
- Discovery or research developments;
- Criminal, civil and government investigations and indictments;
- Pending labor disputes;
- Debt service or liquidity problems;
- Bankruptcy or insolvency;

- Tender offers and stock repurchase plans;
- Recapitalization plans; and
- Major developments in litigation or events that could lead to litigation (e.g., a cyber breach or a data leak).

Information provided by a company could be material because of its expected effect on a particular class of securities, all of a company's securities, the securities of another company, or the securities of several companies. The prohibition against misusing Material Nonpublic Information applies to a wide range of financial instruments including, but not limited to, equities, bonds, warrants, options, futures, forwards, swaps, commercial paper, government-issued securities, and Digital Securities. Material information need not relate to a company's business. For example, information about the contents of an upcoming newspaper column may affect the price of a security, and therefore be considered material. Advance notice of forthcoming secondary market transactions could also be material.

Employees should consult with the CCO if there is any question as to whether nonpublic information is material.

### **What Information is Nonpublic?**

Once information has been effectively distributed to the investing public, it is no longer nonpublic. However, the distribution of Material Nonpublic Information must occur through commonly recognized channels for the classification to change. In addition, there must be adequate time for the public to receive and digest the information. Non-public information does not change to public information solely by selective dissemination. The confirmation by an insider of unconfirmed rumors, even if the information in question was reported as rumors in a public form, may be nonpublic information. Examples of the ways in which nonpublic information might be transmitted include, but are not limited to:

- In person;
- In writing;
- By telephone;
- During a presentation;
- By email, instant messaging, or Bloomberg messaging;
- By text message or through Twitter; or
- On a social networking site such as Facebook or LinkedIn.

Employees must be aware that even where there is no expectation of confidentiality, a person may become an insider upon receiving Material Nonpublic Information. Employees should consult with the CCO if there is any question as to whether material information is nonpublic.

### **Penalties for Trading on Material Nonpublic Information**

Severe penalties exist for firms and individuals that engage in Insider Trading, including civil injunctions, disgorgement of profits and jail sentences. Further, fines for Insider Trading may be levied against individuals and companies in amounts up to three times the profit gained or loss avoided (and up to \$1,000,000 for companies). Maven is not obligated to pay legal fees, penalties, or other costs incurred by Employees found guilty of insider trading.

### ***Risks***

In developing these policies and procedures, Maven considered the material risks associated with insider trading. This analysis includes risks such as:

- Employees place trades in personal and/or Client accounts based on Material Nonpublic Information;
- Employees pass Material Nonpublic Information on to others;
- Employees are not aware of what constitutes Material Nonpublic Information;

Maven has established the following guidelines to mitigate these risks.

### ***Policies and Procedures***

Employees are strictly forbidden from engaging in Insider Trading, either personally or on behalf of Maven's Clients. Maven's Insider Trading Policies and Procedures apply to all Employees, as well as any transactions in any securities by family members, trusts, or corporations, directly or indirectly controlled by such persons. The policy also applies to transactions by corporations in which the Employee is an officer, director, or 10% or greater stockholder, as well as transactions by partnerships of which the Employee is a partner unless the Employee has no direct or indirect control over the partnership.

### **Procedures for Recipients of Material Nonpublic Information**

If an Employee has questions as to whether they are in possession of Material Nonpublic Information, they should inform the CCO as soon as possible. The CCO will conduct research to determine if the information is likely to be considered material, and whether the information has been publicly disseminated.

Given the severe penalties imposed on individuals and firms engaging in Insider Trading, an Employee:

- Must immediately report the potential receipt of Material Nonpublic Information to the CCO;
- Must not trade the securities of any company about which they may possess Material Nonpublic Information, or derivatives related to the issuer in question;
- Must not discuss any potentially Material Nonpublic Information with colleagues, except as specifically required by their position; and
- Must not conduct research, trading, or other investment activities regarding a security for which they may have Material Nonpublic Information until the CCO dictates an appropriate course of action.

If the CCO determines that the information is material and nonpublic, the CCO will prepare a written memorandum describing the information, its source, and the date that the information was received. The CCO may also maintain a list of these restricted securities (the “Restricted List”). Maven and its Employees will not place any trades in securities for which it has Material Nonpublic Information. Depending on the relevant facts and circumstances, the CCO may also take additional steps as appropriate

Trading in affected securities may resume, and other responses may be adjusted or eliminated, when the CCO determines that the information has become public and/or immaterial. At such time, the CCO will amend the memorandum noted above as well as the Restricted List, as applicable to indicate the date that trading was allowed to resume and the reason for the resumption.

### **Selective Disclosure**

Non-public information about Maven’s investment strategies, trading, and Client holdings may not be shared with third parties except as is necessary to implement investment decisions and conduct other legitimate business. Employees must never disclose proposed or pending trades or other sensitive information to any third party without the prior approval of the CCO. Federal Securities Laws may prohibit the dissemination of such information, and doing so may be considered a violation of the fiduciary duty that Maven owes to its Clients.

### **Relationships with Potential Insiders**

Maven’s Clients, Investors, third-party research providers, portfolio companies, and advisory board members may possess Material Nonpublic Information. Access to such information could come as a result of, among other things: being employed by an issuer (or sitting on the issuer’s board of directors); working for an investment bank, consulting firm, supplier, or customer of an issuer; sitting on an issuer’s creditors committee; or a personal relationships with connected individuals.

Individuals with access to Material Nonpublic Information may have an incentive to disclose the information to Maven due to the potential for personal gain. Employees should be extremely cautious about investment recommendations, or information about issuers, that it receives from Clients, Investors, third-party research providers, and advisory board members. Employees should inquire about the basis for any such recommendations or information, and should consult with the CCO if there is any appearance that the recommendations or information are based on Material Nonpublic Information.

### **Rumors**

Creating or passing false rumors with the intent to manipulate securities prices or markets may violate the antifraud provisions of Federal Securities Laws. Such conduct is contradictory to Maven’s *Code of Ethics*, as well as the Company’s expectations regarding appropriate behavior of its Employees. Employees are prohibited from knowingly circulating false rumors or sensational information that might reasonably be expected to affect market conditions for one or more securities, sectors, or markets, or improperly influencing any person or entity.

This policy is not intended to discourage or prohibit appropriate communications between Employees of Maven and other market participants and trading counterparties. Employees should consult with the CCO regarding questions about the appropriateness of any communications.

### **Value Added Investors**

The Private Funds may accept investments from so-called “value-added” investors. Although the term value-added investor is not defined in the Advisers Act or elsewhere, it is generally understood to refer to an investor who may provide some benefit to the adviser (such as industry expertise or access to individuals in the investor’s network) beyond just the value of their investment. Examples of such investors could include, without limitation, executive-level officers or directors of a company or personnel that are affiliated with other investment advisers and/or private funds.

Due to the nature of their position, such investors may possess Material Nonpublic Information. Therefore, Employees should always remain alert to the possibility that they could inadvertently come into possession of Material Nonpublic Information when communicating with such Investors. Employees should refrain from discussing potentially sensitive topics (e.g., specific information about the investor’s employer) with a known value-added investor.

If there is any question as to whether information received from an Investor could be Material Nonpublic Information, Employees are expected to notify the CCO immediately, and otherwise to act in accordance with the procedures described above.