

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top center of the frame, creating a strong sense of height and architectural scale. The sky is a pale blue with soft, white clouds. The overall color palette is dominated by the blues and greys of the buildings and sky, with a slight greenish tint on the right side of the image.

# MORGAN CREEK- EXOS SPAC+ FUND

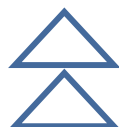
October 2023

# FUND OBJECTIVE

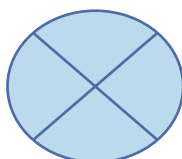
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The Morgan Creek-Exos SPAC+ Fund seeks to *capitalize on the unique nature of SPACs* to...



deliver an attractive risk profile with the potential for meaningful upside,

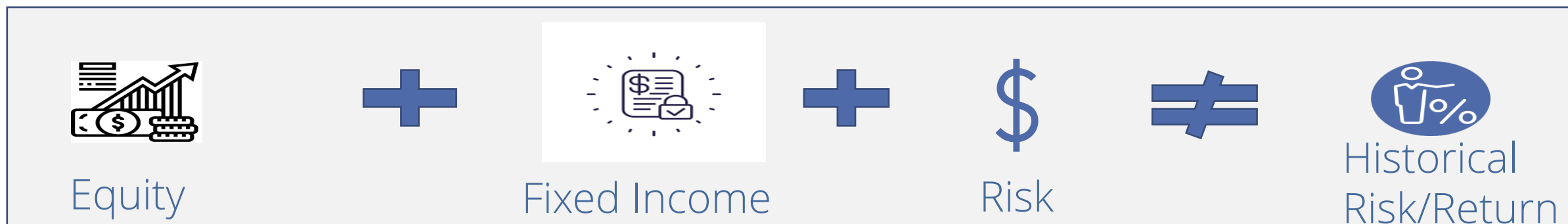


while protecting downside through the ability to put SPAC shares back for their underlying portion of cash or T-bills held in trust.



# TODAY'S INVESTING CHALLENGE

- Short duration, risk-free assets generally return less than inflation.
- This has generally increased risk levels per unit of return in investor portfolios.
- Importantly, investors are accepting significant tail risk in return for marginal increments return.



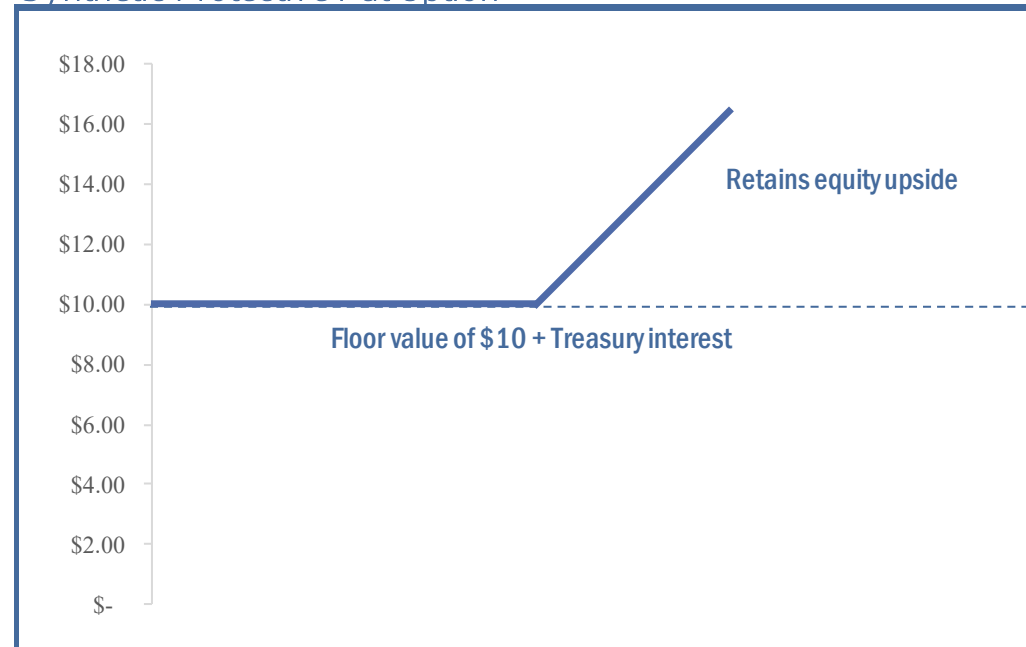
# A UNIQUE TOOL TO MEET THIS CHALLENGE

A SPAC is a hybrid instrument where the downside is collateralized by US government treasury bills held in trust, while additional return can be generated by equity options embedded in the structure.

In the worst-case scenario, you should be able to wait and receive your share of the treasury bill collateral from trust plus interest.

On the upside, you own an equity call on the deal with a strike price equal to the trust value as well as, in most cases, 5-year warrants struck at \$11.50 which can add significant return.

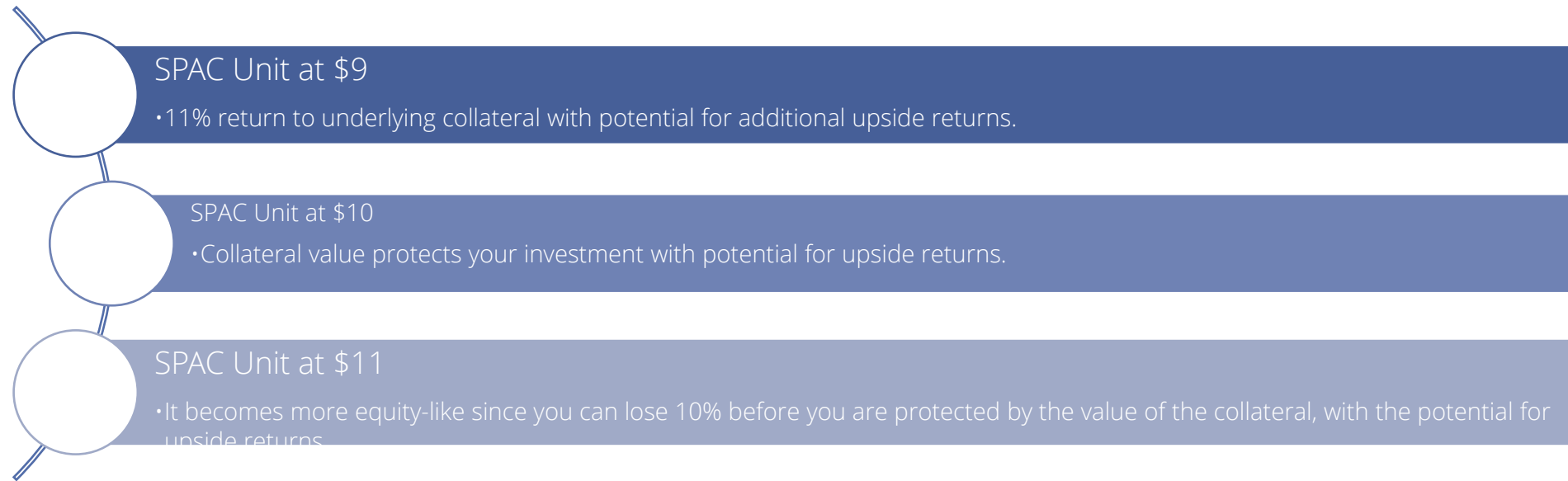
Synthetic Protective Put Option



# WHICH IS VERY DYNAMIC

- We believe SPACs get safer as they decline in price and riskier as they go up in price.
- Once a SPAC closes a business combination, you lose the underlying treasury bill protection.
- Redemptions and deal closings are time-intensive and require expertise and understanding of the product.
- We believe the underlying treasury collateral and embedded option value offer a large opportunity to add value through active management.

Upside



Downside

# SPAC+ - A CREATIVE SOLUTION



SPAC+ Fund is an active strategy designed around the unique qualities of special purpose acquisition companies (SPACs)

- Seeks to deliver a consistent return, an attractive risk profile, and the potential for upside, all while relying on a portfolio of T-bills or other cash-like collateral in trust to protect capital.
- Investments driven by a very structured framework in every aspect seeks to manage downside first and generate upside second.



Our approach provides investors with equity upside while protecting principal via the SPAC trust account

- The fund seeks to provide downside protection via the trust proceeds backing each issue we hold while harvesting equity returns resulting from attractive business combinations announced by companies in the portfolio.
- We seek to increase overall exposure to SPACs as they get cheaper and reduce overall exposure to SPACs as they get more expensive.
- We seek to recycle capital from more expensive issues to less expensive issues to reduce risk.
- Our proprietary technology seeks to drive additional returns from bid/ask spreads using algorithmic market making.



Exos has significant experience in the SPAC space, and has built proprietary technology and algorithms that seek to optimize risk/return

- Deep connectivity across the SPAC ecosystem, with access to primary issues, block trades, and secondary flow.
- We believe our proprietary technology gives Exos an edge in secondary market trading activities.
- The Exos team has a deep understanding of the SPAC product.

No assurance can be given that the strategy will be successful, or capital will be preserved.

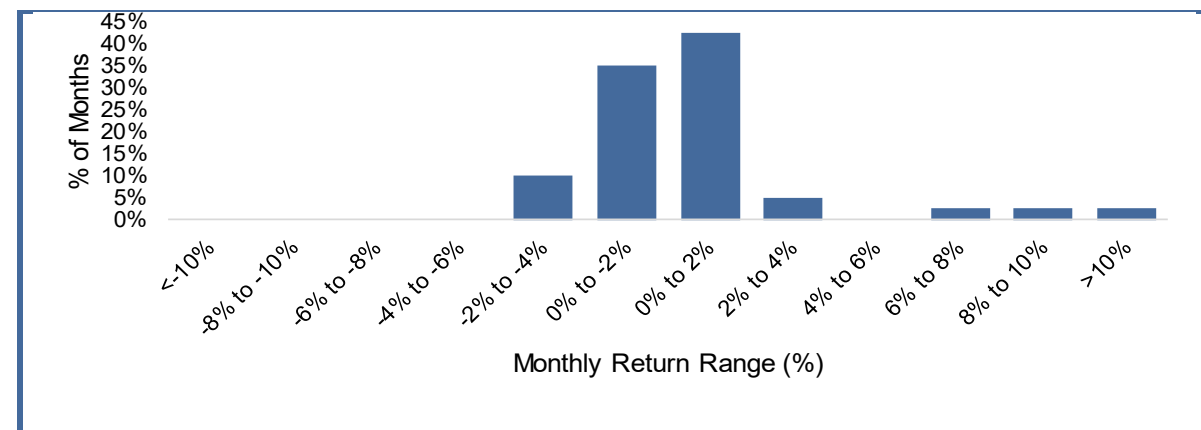
# SPAC+ RISK/RETURN

## TRACK RECORD



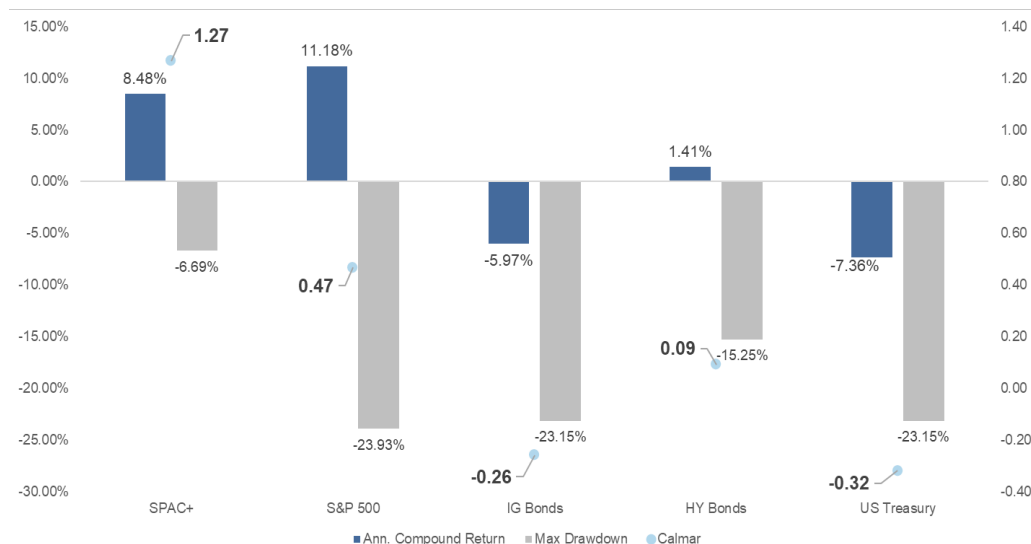
| MONTHLY PERFORMANCE |        |        |        |        |        |        |        |        |        |        |       |        |        |        |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|
|                     | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov   | Dec    | YTD    | LTD    |
| 2020                |        |        |        |        |        |        | -0.92% | -0.82% | 2.48%  | -2.11% | 7.76% | 11.12% | 18.03% | 18.03% |
| 2021                | 8.56%  | 3.86%  | -3.81% | 1.39%  | -0.80% | 1.78%  | -1.18% | -0.99% | 1.11%  | 1.60%  | 0.59% | -1.18% | 10.94% | 30.95% |
| 2022                | -2.21% | -0.81% | 1.17%  | -0.16% | -2.57% | -0.66% | 0.63%  | -0.29% | -0.12% | 1.11%  | 0.56% | 1.19%  | -2.22% | 28.04% |
| 2023                | 1.93%  | 0.78%  | 0.13%  | -0.11% | -0.24% | 0.40%  | 0.43%  | 0.18%  | 0.15%  | -1.20% |       |        | 2.45%  | 31.18% |

| Statistics                          | SPAC+  | S&P 500 | IG Bonds | HY Bonds | US Treasury |
|-------------------------------------|--------|---------|----------|----------|-------------|
| Cumulative Return (since inception) | 31.18% | 42.38%  | -18.55%  | 4.79%    | -22.50%     |
| Annualized Compound Return          | 8.48%  | 11.18%  | -5.97%   | 1.41%    | -7.36%      |
| Sharpe Ratio                        | 0.60   | 0.48    | -0.84    | -0.13    | -1.37       |
| Sortino Ratio                       | 1.72   | 0.79    | -1.11    | -0.19    | -1.60       |
| Avg. Monthly Gain                   | 2.22%  | 4.53%   | 2.27%    | 1.95%    | 1.60%       |
| Avg. Monthly Loss                   | -1.12% | -4.26%  | -2.30%   | -1.84%   | -1.80%      |
| Max. Drawdown                       | -6.69% | -23.93% | -23.15%  | -15.25%  | -23.15%     |
| Annualized Std. Deviation           | 9.85%  | 17.74%  | 10.12%   | 9.04%    | 7.26%       |
| % of Winning Months                 | 55.00% | 60.00%  | 40.00%   | 52.50%   | 35.00%      |
| Correlation                         |        | 0.22    | 0.15     | 0.17     | 0.08        |

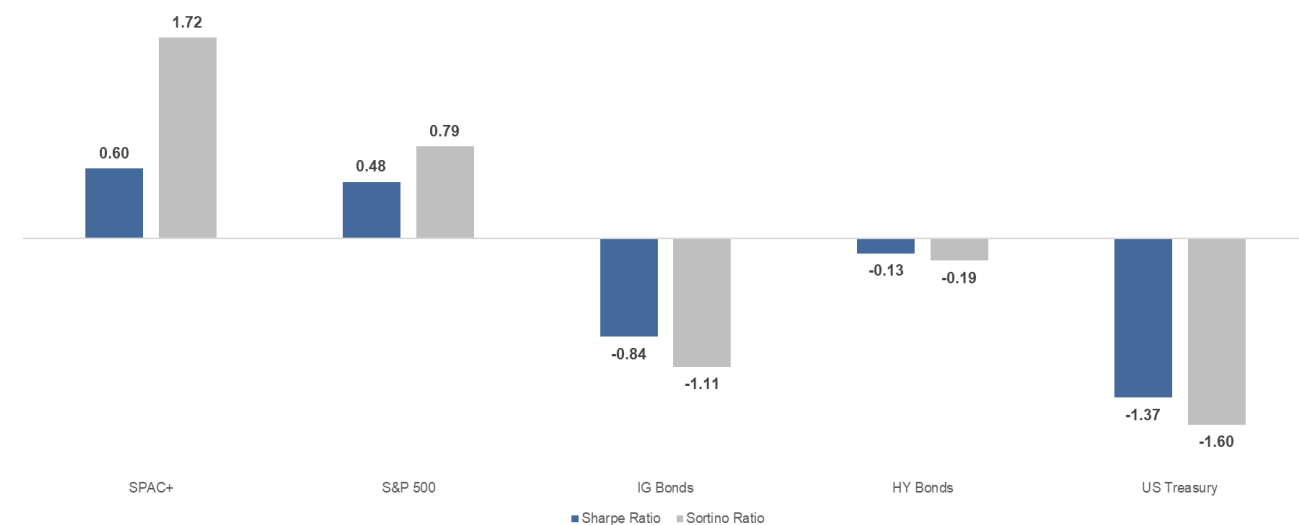


# SPAC+ RISK/RETURN

Annualized Return vs. Max Drawdown



Risk-Return Comparison



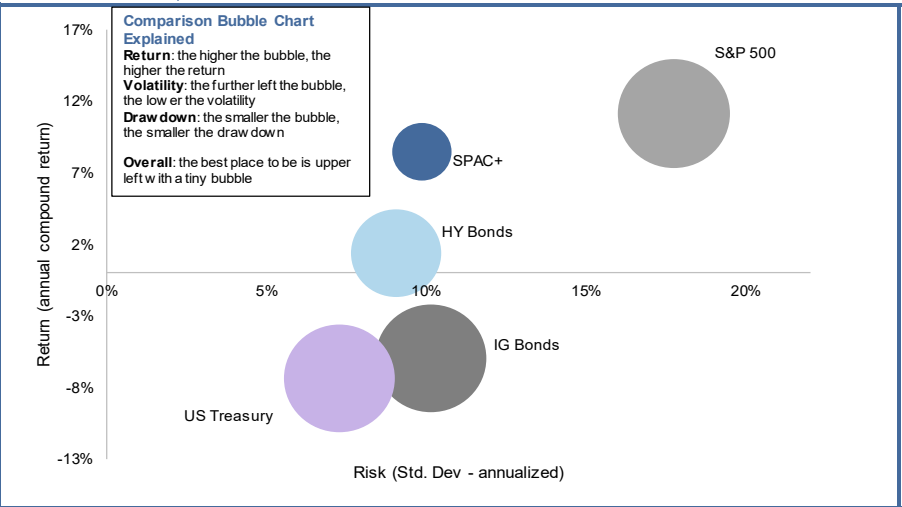
- While the broader SPAC market experienced substantial hardship in early 2022, SPAC+ demonstrated resilience, experiencing a maximum drawdown of only 6.69%
- Despite the strength of the S&P 500 in 2022, SPAC+ has offered more favorable returns per unit of risk with a Calmar Ratio of 1.27 vs. the S&P's 0.47

- Today's rate environment has forced a choice on fixed income investors, settle for inadequate returns with a preferred risk profile or chase higher yields at the expense of more risk
- SPAC+ can maintain the upside of equities, while preserving a risk-profile comparable to treasuries

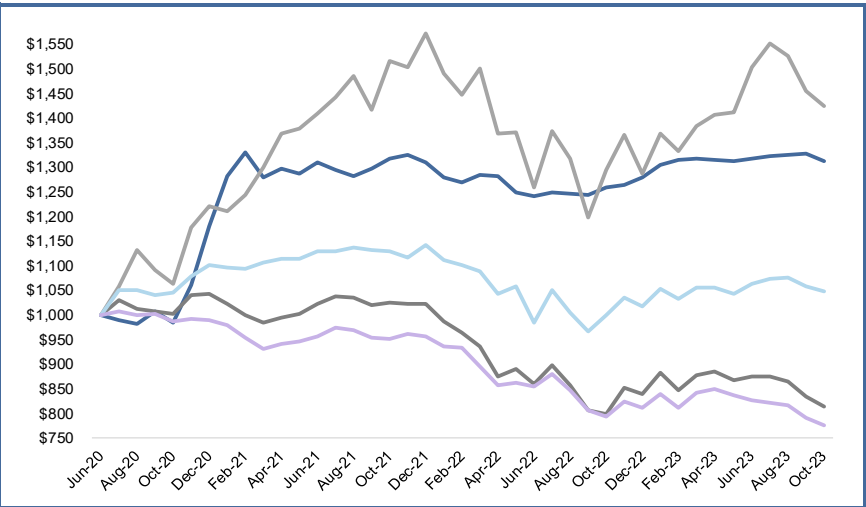


# SPAC+ RISK/RETURN

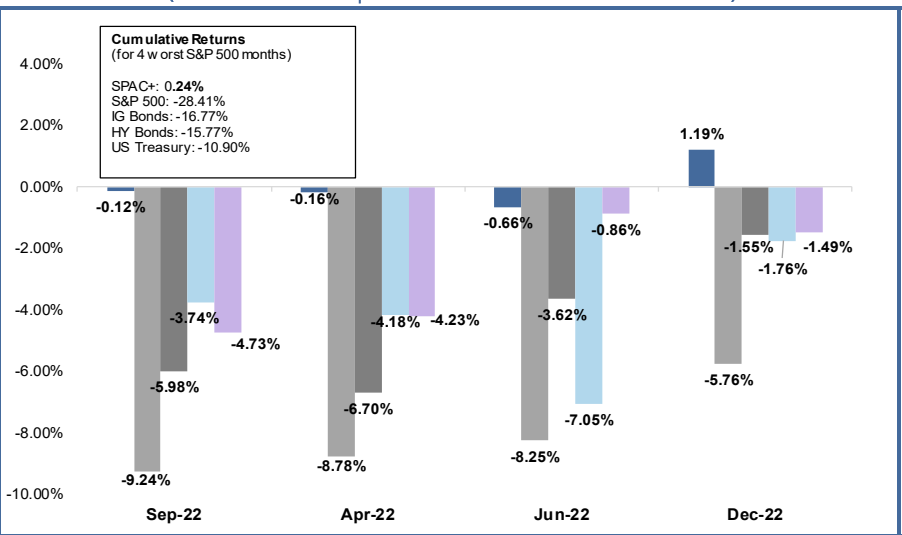
Risk-Return Comparison



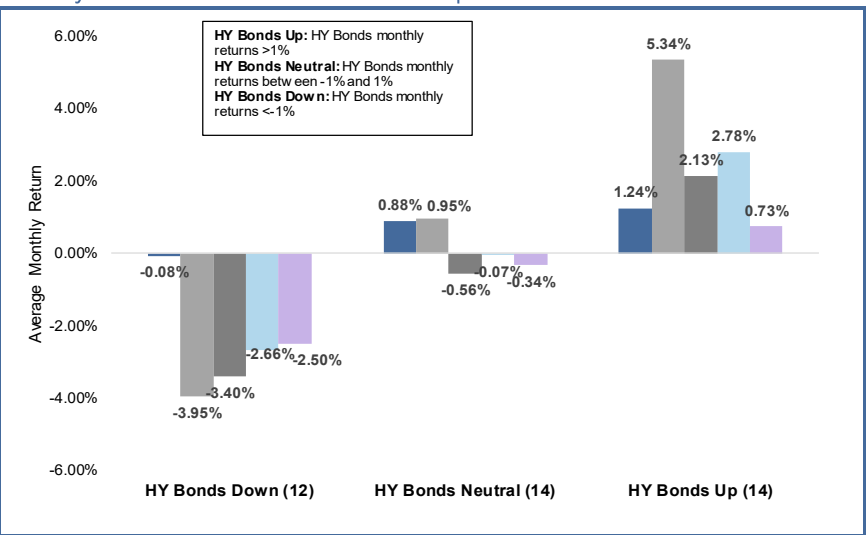
Growth of \$1,000



"4 Worst" Chart (Performance compared to 4 worst months of S&P 500)



Monthly Performance when HY Bonds are Up/Neutral/Down



# WHAT IS A SPAC?



A Special Purpose Acquisition Company (SPAC) is an investment vehicle that enables a management team to raise capital via an IPO with the purpose of engaging in a business combination with an operating company



SPAC sponsors pay offering costs, working capital, and underwriting fees, usually a \$5M+ investment depending on SPAC size, in exchange for 20% of the post IPO common equity, and out of the money derivatives



The capital raised in the IPO is placed into an inviolable trust, earns interest, and can only be used to consummate a merger



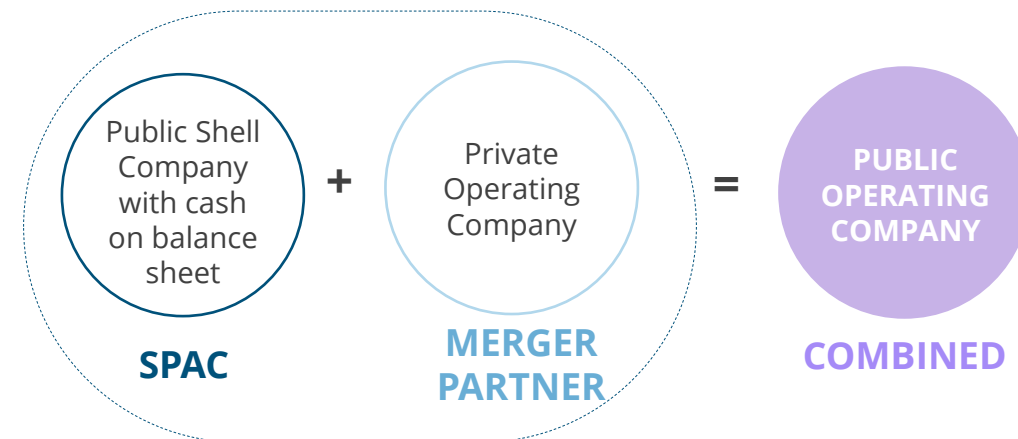
Investors receive \$10.00 units comprised of one common share and typically some additional options (typically a warrant, a fraction of a warrant, or occasionally a right to buy the common stock at a fixed price in the future).



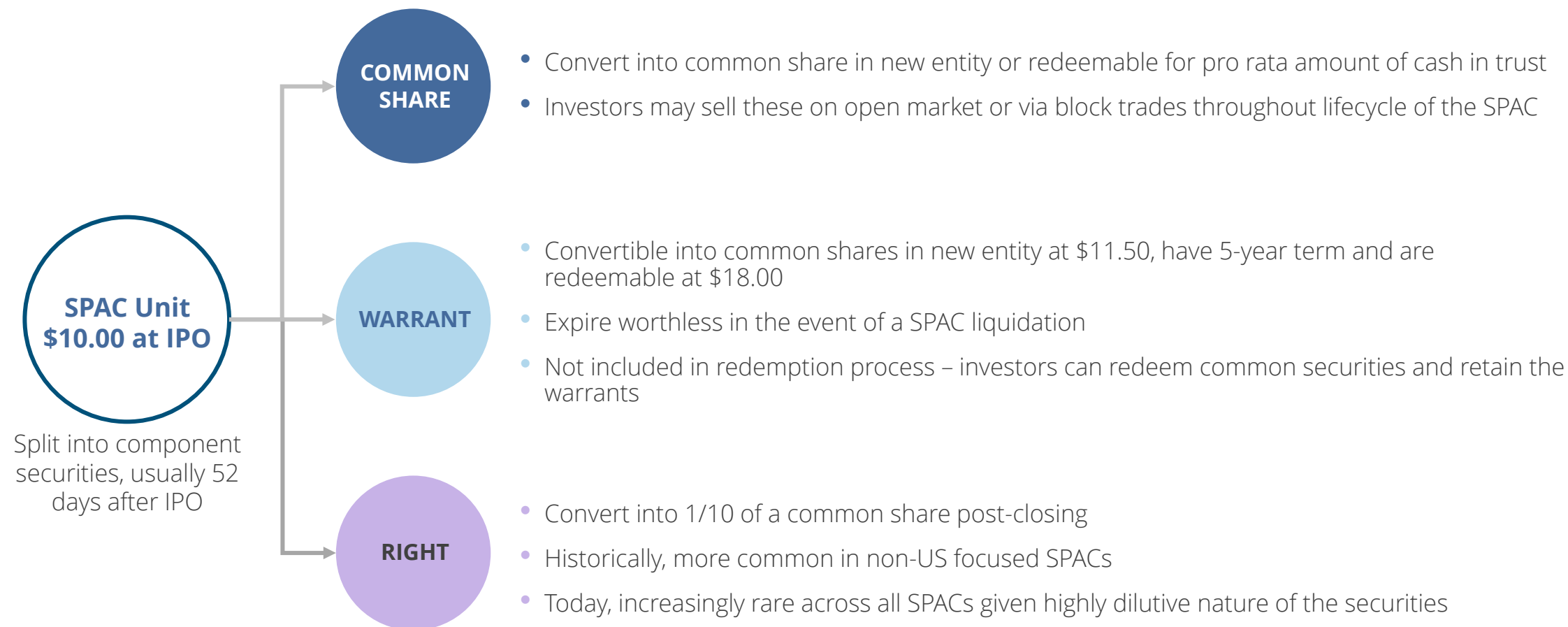
Investors may sell their shares at any time, redeem for their pro rata share of cash in trust, or “participate” in the business combination



If a business combination does not occur within a defined time period (18 – 24 months) the SPAC is dissolved, investors receive their pro-rata portion of cash in trust, and the sponsor investment expires worthless



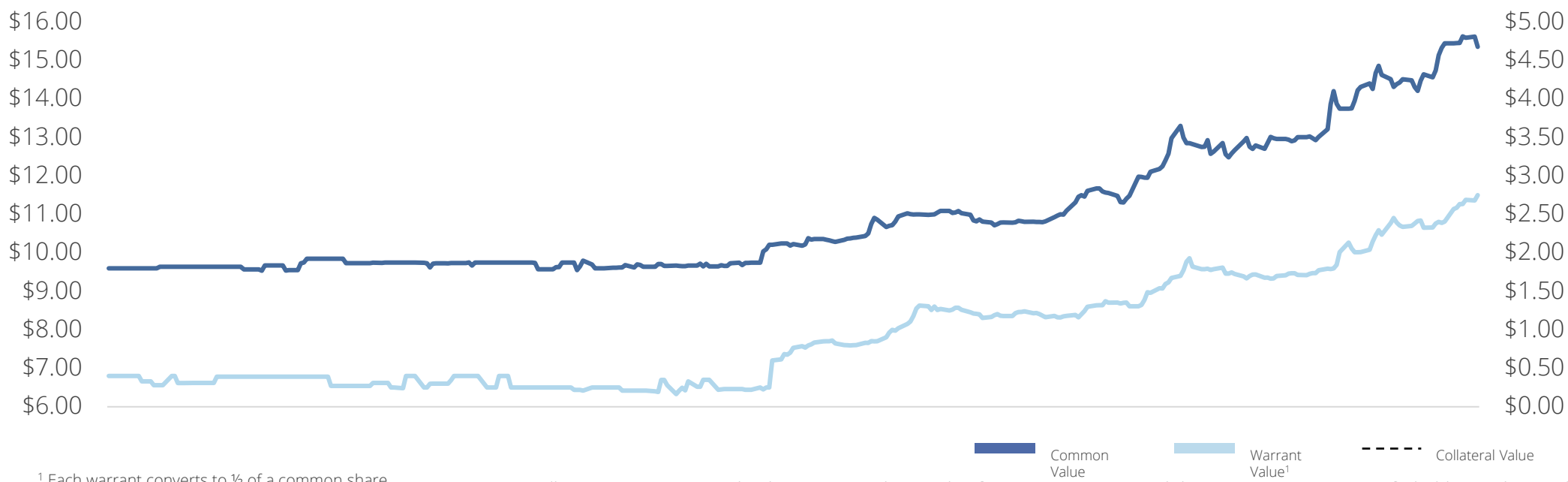
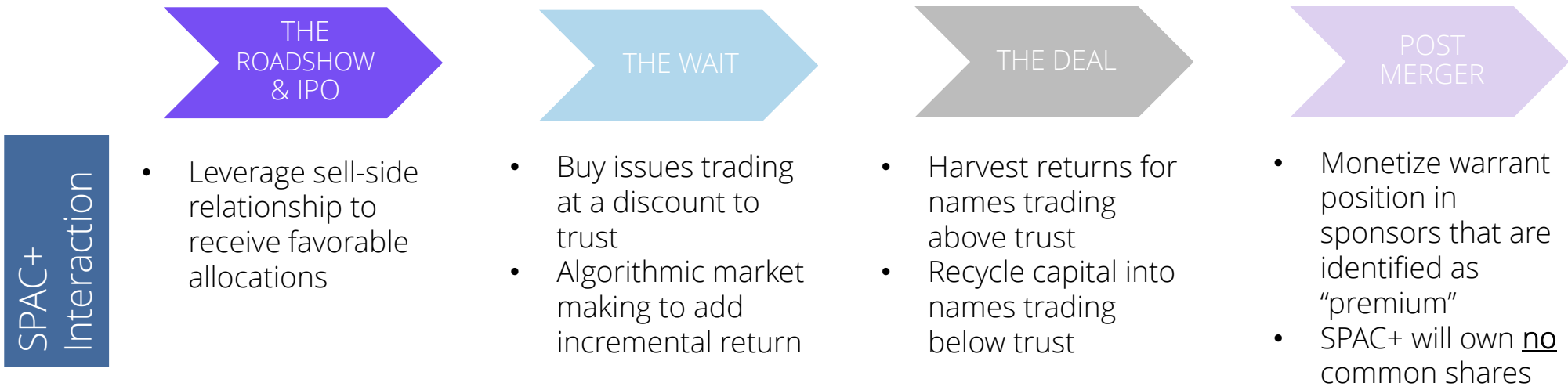
# SPAC Unit Component Overview



For Illustrative Purposes Only: Information represents a typical SPAC structure.

# Potential SPAC Outcomes

|              | Worst case  | Middle Case   | Best Case   |
|--------------|---|---|---|
| Deal         | No deal.  | Deal announced but stock doesn't trade above \$10.  | Deal announced and stock trades at \$12 (or higher).                              |
| Common       | Common Automatically redeemed for share of the T-bills in trust plus interest<br>[100 shares = \$1,005] | Voluntarily redeem for share of the T-bills in trust plus interest [100 shares = \$1,005] | Sell common shares in market rather than redeem [100 shares = \$1,200]            |
| Warrants     | Warrants expire worthless [50 warrants = \$0]   | If stock around \$10 warrants with 5y expiry can be worth \$1 [50 warrants = \$50]        | If stock around \$12 warrants with 5y expiry can be worth \$4 [50 warrants = 200] |
| Total Return | \$1,005 = 0.5% on \$1,000 invested in IPO.  | \$1,055 = 5.5% on \$1,000 invested in IPO.  | \$1,400 = 40% on \$1,000 invested in IPO.   |



For Illustrative Purposes Only. This is a general example of a SPAC's structure and does not represent a specific holding in the Fund but is meant to illustrate the typical life cycle of a SPAC and its different investing periods. The above does not attempt to represent hypothetical performance of the SPAC+ Fund.



# INVESTMENT PROCESS

- The investment team meets with each management team before they come public and reviews their public filings to understand the terms of each deal.
- We separate the universe into “premium” issuers and “non-premium” issuers.
- We dynamically re-calibrate the portfolio as risk/return changes.

## Premium

Issuers that we believe will be the preferred partners for some sub-set of companies to go public. They are most likely to drive incremental return via their deals and, as a result, we want to hold core positions in as many of these as possible.

## Non-premium

Issuers we believe are less likely to drive incremental return via their deals. We look to opportunistically buy these issuers at a discount to their collateral value to lock in a return to the underlying t-bill collateral.

# SPAC+ HAS SIX DRIVERS OF RETURN

01

We harvest return on announced deals that trade above trust value.

02

We monetize the value of warrants.

03

We buy issues at a discount to their collateral value to lock in embedded return.

04

We add overall exposure as SPACs get cheaper and reduce overall exposure as SPACs get more expensive.

05

We recycle capital from individual SPACs trading above collateral value to those trading at or below collateral value.

06

We algorithmically make markets in our portfolio of SPACs, seeking to earn a bid/offer spread on small lots as we wait.

# OUR TEAM: INVESTMENT TEAM

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**DEWEY TUCKER**  
**Portfolio Manager**

Dewey Tucker has over 18 years of experience in financial markets. He has a Ph.D. from MIT in Electrical Engineering, specializing in statistical signal processing and probabilistic modeling. He began his career at Knight Capital Group, developing trading strategies for the automated equities market making business. Mr. Tucker later transitioned to managing a variety of proprietary trading strategies at Knight and then KCG, specifically focused on equities, futures, and fixed income market making.



**MICHAEL BISSMEYER**  
**Head of Trading**

Mr. Bissmeyer joined Exos Securities in June 2019 and is principally responsible for SPAC trading as well as expanding the collateralized funding capabilities for the firm and its clients. After graduating from Villanova University with a Bachelor's Degree in Accounting, Mr. Bissmeyer joined Morgan Stanley's Institutional Infrastructure program as an Analyst in 2000. Transitioning to a sales role in 2004, Mr. Bissmeyer spent the next 15 years working to increase wallet share and find funding solutions for some of the world's largest hedge funds and asset managers while working for Countrywide Securities, Bank of America, RBS, RBC and UBS.



**PHILIPPE HATSTADT**  
**Head of Risk**

Philippe is an innovative executive with extensive expertise in trading, risk management and structuring of cash, derivatives and securitized products across fixed-income, credit and equities at leading investment banks. As a trading desk head, he has been a pioneer in the development of various derivative and financing products. Additionally, Philippe was a key contributor to the optimization of balance sheet usage, funding, liquidity management and stress testing for his division.

# OUR TEAM: SENIOR EXOS SUPPORT



## **BRADY DOUGAN | Chairman and CEO**

Brady is a 47-year financial industry veteran who has in his career managed virtually every function in the Investment Banking business, culminating in serving as the Global CEO of Credit Suisse for 9 years. His experience has included running capital markets businesses, sales and trading businesses, and corporate finance advisory businesses. He has a consistent record of product and market innovation. Brady has been very involved on a hands on basis in many of the innovations which Exos is developing and bringing to the SPAC market.



## **PETER EARLY | Partner and Head of Business Development**

Peter has had an extensive and varied career in the financial world with 20 years experience as a global macro investor. He started at Bankers Trust in 1992, then moved to Tiger Management from 1997, founded Big Sky Capital in 1998, was a senior executive at Wynn Las Vegas from 2006, Guggenheim Partners from 2008, Gaulle Global Macro from 2010. Most recently before joining Exos, Peter was a senior manager at Sofi responsible for capital raising during Sofi's successful run. Peter received a BS in Electrical Engineering and Economics from Yale University.



## **JILL OSTERGAARD | Chief Compliance Officer**

Jill Ostergaard has 25 years of financial services regulatory and compliance experience. In 2011, Jill joined Barclays as the Americas Head of Compliance and the CCO of the broker-dealer. During that tenure, she integrated the Wealth Management, Institutional and Credit Card Compliance programs in the Americas. Jill also helped create and implement a multi-year restructuring and redesign of the region's Compliance strategy.



## **MATT WALTON | Vice President - Operations**

Matt Walton previously worked for Susquehanna International Group on their middle office operations team supporting the Philadelphia and New York Fixed Income trading desks. In this role he was responsible for all trading activity from execution to settlement and assisted both the trading and sales teams in the management of risks and regulatory issues on a daily basis. He was the primary point of contact in the middle office, leading all communications between the firm's custodian bank and counter-parties.

# OUR TEAM: SENIOR MORGAN CREEK SUPPORT



## MARK YUSKO | CEO & Chief Investment Officer

Mark Yusko founded Morgan Creek Capital Management in 2004 and currently manages close to \$2 billion in discretionary and non-discretionary assets. Prior to founding Morgan Creek, Mr. Yusko was CIO and Founder of UNC Management Company (UNCMC), the Endowment investment office for the University of North Carolina at Chapel Hill. Before that, he was Senior Investment Director for the University of Notre Dame Investment Office. Mr. Yusko has been at the forefront of institutional investing throughout his career. An early investor in alternative asset classes at Notre Dame, he brought the Endowment Model of investing to UNC, which contributed to significant performance gains for the Endowment. The Endowment Model is the cornerstone philosophy of Morgan Creek, as is the mandate to Invest in Innovation. Mr. Yusko received a BA with Honors from the University of Notre Dame and an MBA in Accounting and Finance from the University of Chicago.



## WILL BACON | Chief Compliance Officer

Will Bacon is the Chief Compliance Officer for Morgan Creek Capital Management, LLC. Prior to joining Morgan Creek, he was Corporate Counsel and Deputy Compliance Officer at IFC Core Investment Management where he oversaw the firm's SEC registration as an investment adviser and monitored all compliance-related policies and procedures. Before IFC, Mr. Bacon held the positions of Senior Compliance Officer at Credit Suisse and Product Director at Hatteras Funds. He previously worked at financial services firms in New York which is where he began his career as an associate in foreign exchanges sales at Deutsche Bank. Mr. Bacon received a Bachelor of Science in Business Administration and a Juris Doctor from the University of North Carolina at Chapel Hill. He currently serves on the Board of Directors of Rosemyr Corporation.



## TAYLOR THURMAN, CFA | Chief Operating Officer, Investments

Taylor Thurman joined Morgan Creek in February 2006 and serves as the Chief Operating Officer, Investments. He manages the firm's operational due diligence program, client administration and reporting operations, and product structuring activities. In addition, Mr. Thurman serves as the Chief Compliance Officer of the firm's suite of registered products and is responsible for Board level communications. Prior to joining Morgan Creek, he spent three years at Cambridge Associates, LLC where he led a team focused on client reporting and portfolio analytics for international institutional investment portfolios. He also spent time with Arthur Andersen LLP's audit practice. Mr. Thurman received his BS in Business Administration and Accounting from Washington and Lee University. He is a CFA charterholder and is a member of the CFA Institute and the North Carolina CFA Society.



## NICK TAYLOR, CPA | COO & CFO, Management Company

Prior to joining Morgan Creek in 2008, Mr. Taylor worked for over ten years at Wellington Management Company, LLP, one of the largest private institutional asset managers. Nick served as Director of Financial Control and Vice President, where he led the formation and operation of a financial control and risk function. Prior to that, Mr. Taylor formed and managed Wellington Management's International Accounting group, where, as International Controller and Vice President, he was responsible for financial accounting, financial and regulatory reporting. In this role, he worked extensively across the firm to support the financial, operational, regulatory, compliance and tax aspects of the firm's US and international affiliates. Prior to joining Wellington Management, Mr. Taylor worked for four years for PricewaterhouseCoopers in their audit practice in both Boston, Massachusetts and London, England. He received his MS/MBA in Accounting from Northeastern University, and has Bachelor of Arts with honors from the University of East Anglia, UK.



# FUND TERMS

|                  |                                  |
|------------------|----------------------------------|
| FUND             | Morgan Creek-Exos SPAC+ Fund     |
| LIQUIDITY        | Monthly with 30 days notice      |
| MANAGEMENT FEE   | 1.0%                             |
| INCENTIVE FEE    | 20.0% above Treasury Bill return |
| DOMICILE         | Delaware LP with Cayman Feeder   |
| CASH CUSTODIAN   | Northern Trust                   |
| PRIME BROKER     | Cantor Fitzgerald                |
| ADMINISTRATOR    | SS&C GlobeOp                     |
| U.S. COUNSEL     | Thompson Hine LLP                |
| OFFSHORE COUNSEL | Mourant Ozannes                  |
| AUDITORS         | KPMG                             |



# DISCLOSURES

## Fund

This fund is formed. All final terms will be subject to the actual operative documents for the Fund. There is no guarantee that any targets or projections contained herein will be met, and the contents of this material should not be unduly relied upon. Allocations are subject to change at the discretion of the manager in accordance with the fund offering documents. This material is not meant to be, nor shall it be construed as, an attempt to define all terms and conditions of any transaction or to contain all information that is or may be material to an investor. Morgan Creek Capital Management, LLC is not soliciting any action based upon this material, and this material is not meant to be, nor shall it be construed as, an offer or solicitation of an offer for the purchase or sale of any security or advisory or other service. If in the future any security or service is offered or sold, such offer or sale shall occur only pursuant to, and a decision to invest therein should be made solely on the basis of, a definitive disclosure document, and shall be made exclusively to qualified purchasers in a private offering exempt from registration under all applicable securities and other laws. Any such disclosure document shall contain material information not contained herein, and shall supplement, amend, and/or supersede in its entirety the information referred to herein. Nothing contained in this material is, or should be, relied upon as a representation as to past or future performance, and no assurance, promise, or representation can be made as to actual returns.

## General

**Past performance is not indicative of future results.** Morgan Creek Capital Management, LLC does not warrant the accuracy, adequacy, completeness, timeliness or availability of any information provided by non-Morgan Creek sources. There can be no assurance that the investment objectives of Morgan Creek-Exos SPAC+ Fund or any company in which Morgan Creek-Exos SPAC+ Fund invested will be achieved. The Morgan Creek-Exos SPAC+ Fund data set forth in this document is not audited and is subject to change upon audit. This is neither an offer to sell nor a solicitation of an offer to buy interests in any investment fund managed by Morgan Creek Capital Management, LLC or its affiliates, nor shall there be any sale of securities in any state or jurisdiction in which such offer or solicitation or sale would be unlawful prior to registration or qualification under the laws of such state or jurisdiction. Any such offering can be made only at the time a qualified offeree receives a Confidential Private Offering Memorandum and other operative documents which contain significant details with respect to risks and should be carefully read. Neither the Securities and Exchange Commission nor any State securities administrator has passed on or endorsed the merits of any such offerings of these securities, nor is it intended that they will. This document is for informational purposes only.

## Performance Disclosures

There can be no assurance that the investment objectives of any fund managed by Morgan Creek Capital Management, LLC will be achieved.

## Forward-Looking Statements

This presentation contains certain statements that may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, statements about our future outlook on opportunities based upon current market conditions. Although the company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. One should not place undue reliance on these forward-looking statements, which speak only as of the date of this discussion. Other than as required by law, the company does not assume a duty to update these forward-looking statements.

## Risk Summary

Investment objectives are not projections of expected performance or guarantees of anticipated investment results. Actual performance and results may vary substantially from the stated objectives with respect to risks. Investments are speculative and are meant for sophisticated investors only. An investor may lose all or a substantial part of its investment in funds managed by Morgan Creek Capital Management, LLC. There are also substantial restrictions on transfers. This is a brief summary of investment risks. Prospective investors should carefully review the risk disclosures contained in the funds' Confidential Private Offering Memoranda.

## SPAC Risks

SPACs are "blank check" companies with no operating history and, at the time that the Fund invests in a SPAC, the SPAC typically has not conducted any discussions or made any plans, arrangements or understandings with any prospective transaction candidates. Accordingly, there is a limited basis (if any) on which to evaluate the SPAC's ability to achieve its business objective, and the value of its securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. While certain SPACs are formed to make transactions in specified market sectors, others are complete "blank check" companies, and the management of the SPAC may have limited experience or knowledge of the market sector in which the transaction is made. Accordingly, at the time that the Fund invests in a SPAC, there may be little or no basis for the Fund to evaluate the possible merits or risks of the particular industry in which the SPAC may ultimately operate or the target business which the SPAC may ultimately acquire. A SPAC will not generate any revenues until, at the earliest, after the consummation of a transaction. While a SPAC is seeking a transaction target, its stock may be thinly traded. There can be no assurance that a market will develop. The proceeds of a SPAC IPO that are placed in trust are subject to risks, including the risk of insolvency of the custodian of the funds, fraud by the trustee, interest rate risk and credit and liquidity risk relating to the securities and money market funds in which the proceeds are invested. SPACs invest their trust assets in U.S. Treasuries or money market funds, which may also be at risk for loss at various times.

## Concentration Risks

The allocation of a large portion of the Fund's capital to one or a small number of investments could increase the risk of investing in the Fund due to a lack of diversification in the portfolio.





**MORGAN CREEK**  
CAPITAL MANAGEMENT

**exos**