

# MORGAN CREEK DIGITAL FUND IV

Investing in Digital Innovation

## FUND OVERVIEW

MCD IV<sup>(a)</sup> intends to offer exposure to what we believe to be transformational technologies in the Digital Age, including Artificial Intelligence, Blockchain Technology, Computing Infrastructure, Big Data and Digital Assets (cryptocurrencies, Decentralized Finance and liquid protocols), which MCD<sup>(b)</sup> believes will generate significant opportunities for wealth creation.

### FUND SNAPSHOT

#### STRATEGY

Venture Capital

#### FOCUS

Primarily equity investments in Digital Innovation: Artificial Intelligence, Blockchain Technology, Computing Infrastructure, and Big Data technology companies with optionality for Digital Assets

#### TARGET PORTFOLIO

\$300 million (\$500 million hard cap)  
Up to 5 core positions (up to \$25+ million)  
30-40 initial and follow-on positions (\$5-\$10+ million)  
Optionality for Digital Assets (up to 30%)<sup>(a)</sup>

#### MANAGER TRACK RECORD

Three prior Digital Innovation funds<sup>(a)</sup>

### KEY TERMS<sup>(e)</sup>

#### MANAGEMENT FEE

2% on committed capital

#### INCENTIVE FEE

20% (8% preferred return)

#### FUND TERM

10 years

#### INVESTMENT PERIOD

3 years from final close

#### GP COMMITMENT

1%

## MCD TEAM BRINGS EXPERIENCE IN ARTIFICIAL INTELLIGENCE, BLOCKCHAIN, COMPUTING INFRASTRUCTURE AND BIG DATA<sup>(a)</sup>



### MARK W. YUSKO

Co-founder, Managing Partner

30+ years institutional investments in innovation

Early pioneer of Endowment Model of investing

Frequent commentator on national cable news outlets

UNC Chapel Hill Investments, Notre Dame Investments

DARPAN BISWAS  
Partner

Computer Science and Engineering, technology insight, due diligence

Deloitte, North Carolina Dept State Treasurer

MICHAEL FAIR, CFA  
Associate

Valuation, financial analysis, research, deal sourcing, due diligence

Duff & Phelps, Houlihan Lokey



### DR. SACHIN JAITLEY

General Partner

20+ years technology, finance and investments experience

Founder, CEO and Operator of tech companies

Co-Founder of Tessera Venture Partners (Digital Innovation VC fund)

Oracle (via Datalogix acquisition), FlexEngage, General Electric

RYAN ABRONSKI  
Associate

Deal sourcing, due diligence, MCD marketing and thought leadership

Advent Health, DeepWork Capital, NASA Kennedy Space Center



### XAVIER SEGURA

General Partner

12 years experience leading business development and product management

Early investor in three unicorn companies<sup>(m)</sup>

Co-Founder of Tessera Venture Partners (Digital Innovation VC fund)

Oracle, Verizon, AT&T

W. SCOTT STORNETTA  
Venture Partner

Considered one of the "Co-inventors of Blockchain"<sup>(n)</sup>, computer science background, technology insight, sourcing

Chief Scientist—Yugen Ptrs. Bellcore, Stanford PhD

## A TRACK RECORD OF INNOVATIVE INVESTMENTS<sup>(a,f,i)</sup>

	FUND I <sup>(a)</sup>	FUND II <sup>(a)</sup>	FUND III <sup>(a)</sup>	FUND IV <sup>(a)</sup>
VINTAGE	2018	2019	2021	2024
TOTAL CAPITAL RAISED	\$40M: \$40M Fund + \$0 SPV	\$120M: \$99M Fund + \$21M SPV	\$232M: \$122M Fund + \$110M SPVs	\$51M: \$51M Fund + \$0 SPV
INVESTMENTS <sup>(c)</sup>	30	13	38	20 to date
DEPLOYMENT TIMELINE	18 months	8 months	30 months	13 months to date
NET DPI <sup>(k,l)</sup>	106%	N/A	N/A	N/A
FUND GROSS (NET) MOIC <sup>(l,j)</sup>	5.8x (4.2x)	2.4x (2.0x)	0.9x (0.8x)	1.2x (1.2x)
BENCHMARK TOP QUARTILE <sup>(r)</sup>	2.3 x	1.7 x	1.1 x	N/A

## ESTABLISHED INVESTORS IN DIGITAL INNOVATION<sup>(p)</sup>

400+

Total investments in private funds and deals

\$400M+

Invested in ~100 Digital Innovation investments across 4 funds and 6 SPVs

20+YRS

Investing across cycles and in a wide variety of asset classes, including 5+ years investing in Digital Innovation

## SEEKING TO ADD DIFFERENTIATED VALUE TO PORTFOLIO COMPANIES<sup>(c,g)</sup>

Partners built, funded, scaled and exited successful businesses

We believe founders choose MCD because the team can help make Digital Innovation technology companies successful

Deal flow generated from global network, active engagement with community, reputation as thought leaders

Please refer to footnotes, risk disclosures, and important disclosures at the end of this document.

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# MORGAN CREEK DIGITAL FUND IV

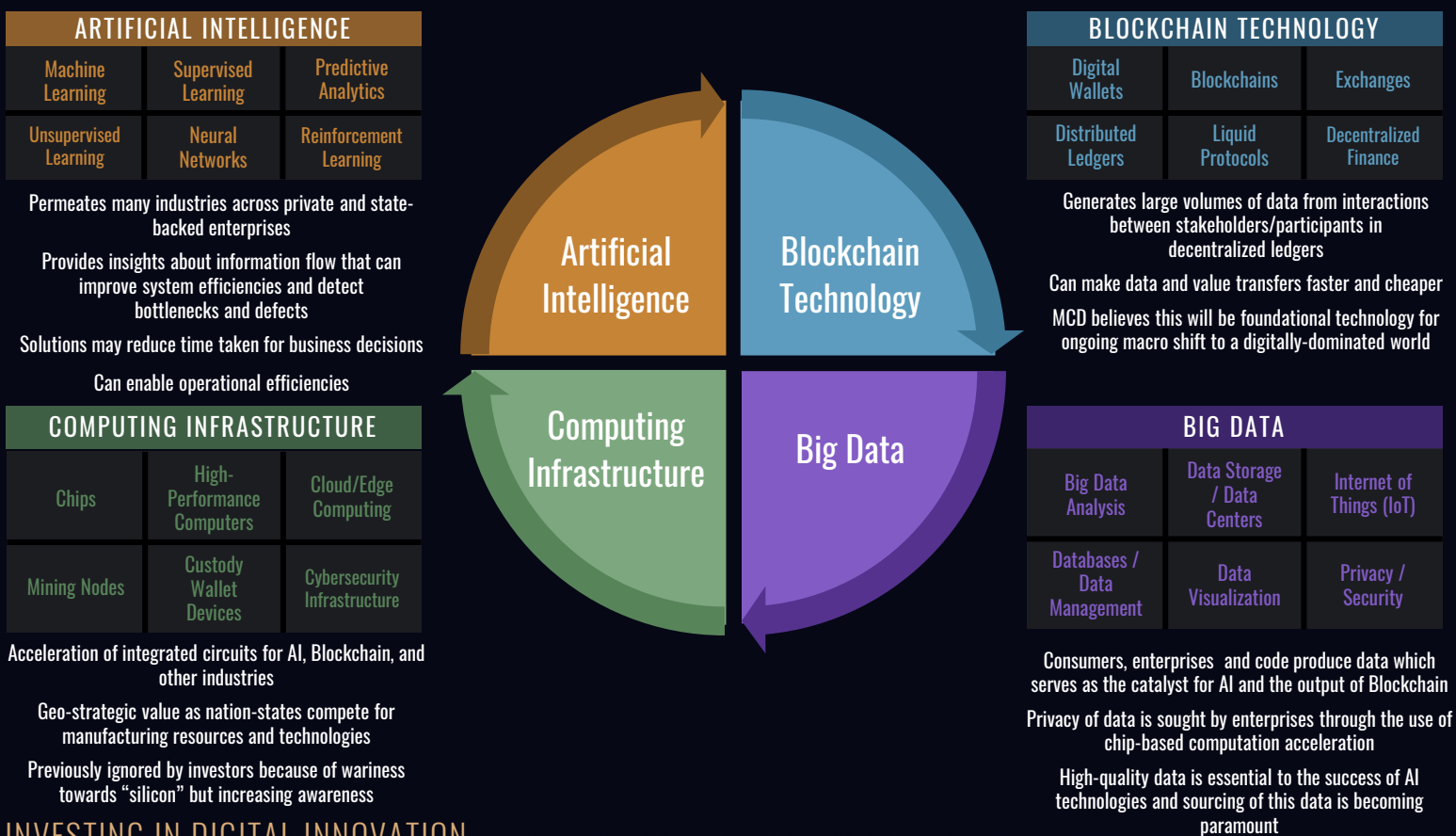
## TRACK RECORD OF INVESTING IN DIGITAL INNOVATION<sup>(c,n)</sup>

Since 2018, Morgan Creek has invested ~\$400M in ~100 Digital Innovation investments across 4 funds and 6 SPVs including the following Core Investments:

GEMINI	CHAIN REACTION	FIGURE	LEDGER	coinbase
\$75M	\$28.9M	\$25M	\$10.0M	\$3.5M
\$13M Fund + \$62M SPV	~\$10.6M + \$18.3M SPV	\$10.7M Fund + \$14.3M SPV	\$10.0M Fund	\$3.5M Fund
Multibillion-dollar international crypto exchange	Chipmaker accelerating cryptography-based cloud computing and Bitcoin mining	Real estate lending & Blockchain securitization platform	One of the top selling digital asset hardware wallets <sup>(h)</sup>	Cryptocurrency exchange for retail and institutional investors

## DIGITAL INNOVATION: THE PILLARS OF THE NEXT-GEN INTERNET

We believe the next-gen internet will seek to combine the power of Artificial Intelligence, Blockchain Technology, and the associated Computing Infrastructure to unlock value from Big Data.<sup>(e)</sup>



## INVESTING IN DIGITAL INNOVATION

### MORGAN CREEK DIGITAL INVESTMENTS:<sup>(o)</sup>

NIObIUM MICROSYSTEMS	avalanche	SOLANA	GEMINI	CHAIN REACTION	FIGURE	LEDGER
UNISWAP	linch	ORCA	IMPROBABLE	exos	BLOCKDAEMON	BlockFills
BlockApps	INFINITE WORLD	HORIZON BLOCKCHAIN GAMES	Hex Trust	KYNDI	Bitwise	stably
PIKNIK	strike	HARTMANN   CAPITAL	24X	COVER	BlockFi	AIKON
TRUGARD	swipelux	groq	bitcoin	ethereum	Evertas	NONCO
Filecoin	ARMILLA	BLUMIND	alcancia	Arch	Chainlink	
SAAF Finance	expedera	alfred	ProvLabs	EnChargeAI	NEUROPHOS	CORNAMI

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# MORGAN CREEK DIGITAL FUND IV

## ENDNOTES

- a) Morgan Creek Digital Fund IV, LP is referred to in this document as “MCD IV” or the “Fund”. MCD IV is the fourth in a series of funds. The first two funds were branded as Morgan Creek Blockchain Opportunities Fund I (“MCBO I”) and Morgan Creek Blockchain Opportunities Fund II (“MCBO II”). Prior to Morgan Creek Digital Fund III, LP (“MCD III”), fund-raising was conducted under the Morgan Creek Digital Assets brand. The General Partners and Investment Committee associated with MCD IV are different from the General Partners and Investment Committee associated with MCBO I and MCBO II, but are consistent with that of MCD III. The Investment Committee of MCD IV is comprised Mark Yusko, Sachin Jaitly and Xavier Segura.
- b) Morgan Creek Digital is referred to as “MCD”.
- c) MCD IV portfolio and fundraising information as of 12/5/2024.
- d) Scott Stornetta is considered by many to be one of the co-inventors of Blockchain technology. Dating back to 1991, his pioneering series of papers, written with co-author Dr. Stuart Haber, received the 1992 Discover Award for Computer Software. Their work helped lay the foundation for Bitcoin and other digital assets; of the eight citations in the original Bitcoin whitepaper, three reference his and Dr. Haber’s work.
- e) This is a summary of proposed terms; final terms are subject to the actual operating documents for the Fund. Refer to “Important Disclosures” at the end of this document.
- f) All figures as of 9/30/2024 for equity positions and 12/5/2024 for digital asset positions, unless otherwise indicated.
- g) The information contained herein reflects opinions of Morgan Creek Digital as of the time this presentation is written and all such opinions are subject to change. No representation or warranty, express or implied, is given by Morgan Creek Digital as to the accuracy of such opinions and no liability is accepted by such persons for the accuracy or completeness of any such opinions. Past performance is not indicative of future results.
- h) Source: Ledger management assessment and projections.
- i) Gross Returns reflect gross, deal-level returns and do not include fund expenses, management fees or carried interest. Actual net fund returns include these fees and are in parentheses. All figures as of 9/30/2024 for equity positions and 12/5/2024 for digital asset positions. Past performance is not indicative of future results.
- j) MOIC is Multiple On Invested Capital. Please refer to “Performance Disclosures” at the end of this document.
- k) MCBO I Net DPI updated as of 12/5/2024.
- l) DPI is distributions to paid-in capital.
- m) Past performance is not indicative of future results. There is no guarantee that Fund IV will invest or have the opportunity to invest in unicorn companies.
- n) “Core” investments selected here represent some of the largest investments made by MCD by commitment size, and also represent some of the most recognizable brands in the Digital Innovation space.
- o) As of 12/5/2024.
- p) Figures include all private investments: Morgan Creek Partners, Co-Investments and joint ventures since 2004.
- q) Digital asset allocation is optional, and there is an option for equity-only commitments.
- r) All benchmarking data is as of latest available (Q1-2024) Cambridge Associates benchmarks for all Venture Capital funds in vintage years 2018 (163 funds, for MCBO I comparison), 2019 (148 funds, for MCBO II comparison), and 2021 (213 funds, for MCD III comparison). Past performance is not indicative of expected future results.



# MORGAN CREEK DIGITAL FUND IV

## RISK DISCLOSURES

Interests in Morgan Creek Digital Fund IV are speculative and involve a significant degree of risk. Digital Assets and related businesses have limited performance histories, can be extremely volatile, and are not subject to many of the regulatory oversights over which other investable assets are subject. An investment in the Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and limited liquidity inherent in the interests.

There can be no assurance that the Fund will be successful or that losses will not be incurred by the Fund. Each investor in the Fund must have the ability to bear the risk of loss of their entire investment and must be prepared to bear such risks for an extended period of time. Investors are strongly urged to consult with their professional advisors and to carefully review the risk prior to investing.

The Fund has a selective strategy focused on a single industry sector, companies involved in the development of Artificial Intelligence technologies, Blockchain-based technologies (as broadly defined), Computing Infrastructure, and Big Data, which means that the Fund will not be as diversified as other investment vehicles with broader investment mandates. Prospective investors must be prepared for the possibility of substantial losses that may not be mitigated by countervailing gains. The Fund may utilize a credit facility to meet capital calls and may over-commit a portion of the Fund's capital over the life of the Fund. Leverage increases returns to investors if the Fund earns a greater return on leveraged investments than the Fund's cost of such leverage. However, the use of leverage exposes the Fund to additional levels of risk including greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments. The Fund Investments are likely to be illiquid and long-term and are unlikely to provide current income. There may be restrictions on transferring the interests in the Fund. The Fund's high fees and expenses may offset the Fund's trading profits.

Blockchain-based financial transactions are entirely novel from a legal, tax, and regulatory perspective, and they create uncertainties, and therefore risks. Participants in the Blockchain marketplace are expected to face increasing scrutiny from regulators and tax authorities, both in the United States and abroad, particularly if, Blockchain markets grow. Incidents of misconduct, including fraud and theft, involving Blockchain-based transactions may also increase.

Blockchain technologies are often premised on theoretical conjectures as to the impossibility, in practice, of solving certain mathematical problems quickly. The Fund's Portfolio companies and marketplaces that rely on Blockchain technologies could quickly collapse if calculations are incorrect or by other advances that undermine or vitiate the cryptographic consensus mechanism underpinning most current Blockchain and distributed ledger protocols.

The investment characteristics of Digital Assets (e.g., a digital representation of value that will or can be digitally traded) generally differ from those of traditional fiat currencies, commodities or securities. Digital Assets are a new and relatively untested product. Perhaps in part because of their youth, Digital Assets have experienced sharp fluctuations in value. Any Digital Asset investments by the Fund may be more susceptible to theft or loss from cyberattacks, hacking, or technological failures. Any such digital investments will also be subject to the risks inherent to the Blockchain marketplace described herein. These risks could be significant and the nature of Digital Assets may lead to an increased risk of fraud or cyberattack.

## IMPORTANT DISCLOSURES

### General

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 ("Morgan Creek") 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 and should not be distributed.

### Performance Disclosures

There can be no assurance that the investment objectives of any fund managed by Morgan Creek Capital Management, LLC will be achieved. Past performance is not indicative of the performance that any fund managed by Morgan Creek will achieve in the future. Although Morgan Creek Capital Management, LLC has been presented with co-investment opportunities in the past, there can be no assurance that Morgan Creek will be presented with similar opportunities in the future.

Note: Multiple of Invested Capital ("MOIC") refers to the realized and unrealized value of an investment or aggregate portfolio of investments divided by the investment amounts and is shown before the payment of carried interest, general partner distributions and expenses, all of which, in the aggregate, may be substantial and will reduce the returns to limited partners.

### 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.

### No Warranty

Morgan Creek Capital Management, LLC does not warrant the accuracy, adequacy, completeness, timeliness or availability of any information provided by non-Morgan Creek sources, including accessibility of unavailable funds.