



CLIENT RELATIONSHIP SUMMARY

JUNE 30, 2020

ITEM 1: INTRODUCTION

Mudrick Capital Management, L.P. (“Mudrick Capital”) is registered with the Securities and Exchange Commission (the “SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ and that it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

ITEM 2: RELATIONSHIP AND SERVICES

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer investment advisory services to retail investors. Currently, these services are provided solely to certain managed accounts established to co-invest in the securities of a single post-reorganized company (the “Co-Investment Accounts”). We also serve as the investment manager to several private investment funds and separately managed accounts. While these clients are not retail investors, we may in the future provide similar investment advisory services to retail investors.

We have full discretionary authority to hold, monitor, review, dispose of, exercise voting rights or otherwise deal with the securities in the Co-Investment Accounts. With respect to the private investment funds and separately managed accounts, our firm generally has full investment discretion, subject to each client’s investment objectives and guidelines.

As part of our standard services, we perform various periodic monitoring (generally at least weekly) of the securities in the Co-Investment Accounts. These reviews are conducted by the Chief Investment Officer and certain other members of the investment, trading, operations and compliance teams. We do not have specified account minimum requirements, but each retail investor must be (i) sufficiently financially sophisticated and experienced, (ii) an “accredited investor” and (iii) a “qualified client” (each as defined by SEC rules). For more detailed information about our advisory services and account monitoring processes, see our [Form ADV Part 2A, Items 4, 7 and 13](#).

QUESTIONS TO ASK US:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

ITEM 3: FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

WHAT FEES WILL I PAY?

The Co-Investment Accounts generally pay performance-based fees to our firm based on the capital appreciation of the investment upon realization (sale) of the investment. This fee is calculated based on a “waterfall” structure and is typically 20% (though such rates could be lower for certain investors) following a full return of capital to the client plus a preferred return and after a full “catch up” payment to us. These fees will generally be payable to our firm only if there are sufficient proceeds from realization of the investment that exceed the client’s invested capital and preferred return.

The private investment funds and other separately management accounts pay us management fees. These are typically calculated based on their assets under management and are paid generally monthly or quarterly. The rates are negotiable and could be higher or lower for certain accounts or investors. We also receive performance-based fees from other separately managed accounts and incentive allocations from the private investment funds (generally ranging from 10% to 20% of the annual capital appreciation), payable generally annually or upon a withdrawal.



There are conflicts of interest associated with the payment of performance fees. For example, performance fees create an incentive for us to make investments or manage such investments in a manner that is riskier or more speculative than if the client had solely an asset-based fee. In addition, an asset-based fee (which the Co-Investment Accounts do not have) could incentivize us to encourage a client to increase the assets in their account.

The Co-Investment Accounts – like all our clients – will also bear certain costs and expenses. Some common examples include organizational expenses, administrator and custodial fees, investment expenses, legal, accounting and valuation expenses, operations-, accounting-, portfolio- and trading-related software expenses and related connectivity costs. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Additional information about our fees, costs and expenses is available on our [Form ADV Part 2A, Item 5](#).

QUESTIONS TO ASK US:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what that means.

We manage accounts for multiple clients and the rates of management and performance fees may be higher for some clients than for other clients. So, the potential exists for one client to be favored over another client. However, our firm has allocation and aggregation policies that seek to address these conflicts of interests. For more detailed information about our conflicts of interest, please see our [Form ADV Part 2A, Item 6, 11](#).

QUESTION TO ASK US:

- *How might your conflicts of interest affect me, and how will you address them?*

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals are generally compensated from the revenue our firm earns from our advisory services, including the management fees and performance or allocation-based fees. The conflicts associated with the receipt of these types of compensation are described above.

ITEM 4: DISCIPLINARY HISTORY

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

QUESTIONS TO ASK US:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

ITEM 5: ADDITIONAL INFORMATION

Please contact us at 646-747-9500 or IR@mudrickcapital.com for additional and up-to-date information about our investment advisory services or to request a copy of this relationship summary.

QUESTIONS TO ASK US:

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*