

## **Mubadala GE Capital PJSC**

### **FORM ADV**

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This brochure provides information about the qualifications and business practices of Mubadala GE Capital PJSC (the "Adviser"). If you have any questions about the contents of this brochure, please contact us at +971 2 401 3127. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. The information contained herein is provided solely for the purpose of satisfying the requirements of being registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act").

Additional information about the Adviser also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

The Adviser is registered as an investment adviser with the SEC under the Advisers Act. Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

**ITEM 2**  
**Material Changes**

The Adviser is completing the amended Part 2A of Form ADV for the first time, and, as such, this Item 2 is not applicable.

**ITEM 3**  
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#### ITEM 4

##### Advisory Business

Mubadala GE Capital PJSC (the "Adviser") is a joint venture between Mubadala Commercial Finance LLC, ("Mubadala Commercial Finance"), a wholly owned UAE subsidiary of Mubadala Development Company PJSC ("Mubadala") which is an entity established by the Government of Abu Dhabi, and GEFS, Inc., ("GEFS"), a wholly owned Delaware subsidiary of General Electric Capital Corporation ("GECC"), pursuant to a joint venture agreement dated 3 May, 2010 and various associated documents (collectively the "JV Documents"). Mubadala Commercial Finance and GEFS formed the Adviser in 2009 as a United Arab Emirates ("UAE") private joint stock company. Currently, the Adviser's only clients are Mubadala and GECC (collectively, the "Clients"). At present, the Adviser's sole function is to make investments on its own account and on behalf of these owner-Clients and their respective subsidiaries. References to the Adviser's activities herein should be read as activities and investments on behalf of the Clients, unless otherwise noted.

The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). In addition, the Adviser is also licensed by the Central Bank of the United Arab Emirates to conduct financial services business in the UAE under a Finance Company and Investment Company Licence. The Adviser's principal office is located in Abu Dhabi in the UAE and houses approximately 80 employees. The Adviser also has three operating subsidiaries (discussed below) with offices in Turkey (no employees, but expects to hire two shortly), the United States (four employees, although not all are involved in an advisory role) and the United Kingdom (one employee).

GEFS and Mubadala Commercial Finance created the Adviser to act as a specialized commercial finance company that provides commercial lending, equipment leasing, distribution and vendor finance and equity capital solutions to businesses operating across a wide range of industries.

The Adviser's investment strategy focuses on two strategic "pillars": (1) accessing investment opportunities generated through GECC's existing global origination platform; and (2) building a Middle East, Turkey and Africa ("META") platform with select focus areas aligned to both GECC and Mubadala's capabilities and regional presence.

Currently, the majority of the Adviser's investment opportunities are derived from the first pillar. If the Adviser chooses to participate in a deal that GECC has originated and closed, the Adviser invests as a secondary buyer. For example, the Advisor may only take direct assignment of loans or purchase loan participations from GECC; the Adviser does not act as a "day 1" lender in the context of investments sourced by GECC.

In each of the United States and Europe, the Adviser operates a subsidiary which assists the Adviser in locating and screening potential investments within the first pillar (*i.e.*, transactions originated and closed by GECC) in the United States and Europe, respectively, but which have no discretionary authority to make investments or otherwise bind the Adviser or the Clients. These subsidiaries are MGEC (US) Inc., a Delaware corporation ("MGEC US") with a principal office in Connecticut, and MGEC (Europe) Ltd., a United Kingdom company ("MGEC UK"). MGEC US, MGEC UK and their respective personnel are treated as supervised persons of the Adviser. As supervised persons of the Adviser, MGEC US and MGEC UK intend to conduct their respective activities in accordance with the Advisers Act and the rules thereunder. Any employees of MGEC US and MGEC UK and any other persons acting on their behalf are and shall be subject to the supervision and control of the Adviser and must comply with the Adviser's compliance policies and procedures and Code of Ethics (described in Item 11 below). MGEC US and MGEC UK are each relying on the Adviser's registration under the Advisers Act and are not registering as investment advisers. MGEC UK is not subject to regulation as an investment advisor in the United Kingdom.

In the META region, the Adviser has developed its own origination and risk management capabilities and is developing its servicing capabilities. The Adviser presently is concentrating its META investments on the UAE and Turkey, but is not limited to these jurisdictions. The Adviser's subsidiary in Turkey, MGEC Finansal Danışmanlık Anonim Şirketi ("MGEC Turkey") and, collectively with MGEC US and MGEC UK, the "MGEC

Subsidiaries"), is a research company tasked with reviewing trends and investment opportunities in Turkey. It is not regulated in Turkey and does not have any discretionary authority to make investments or otherwise bind the Adviser or the Clients. MGEC Turkey differs from the other MGEC Subsidiaries in that it does not source, screen and assess potential investments originated and closed by GECC, but, rather, from the broader Turkish market. These investments, however, are primarily limited to deals introduced by reputable financial institutions based in Turkey.

The Adviser has appointed GECC to carry out the servicing of the investments sourced and made by the Adviser (both for clients and for its own account, as discussed below), except where the Adviser develops its own in-house capabilities for assets in the META, or when otherwise jointly determined by the Clients. GECC is paid a fee for such servicing activities as described in Section 5 below.

The Clients have provided the Adviser with specific delegated investment parameters and authorities which govern the investment activity of the Adviser and define the authority levels required to sign off on any such investment. The delegation from the Clients is typically agreed upon after the Adviser has prepared and presented an investment strategy paper to the Clients advocating for the inclusion of the specific business line into the investment strategy of the Adviser. These investment limitations and parameters include portfolio-level requirements and parameters, investment type limitations, limitations within permitted categories of investment types and specific requirements for individual investments (the "Investment Limitations"). The Clients may amend or provide an exception to the Investment Limitations from time to time in consultation with the Adviser. In addition to the Investment Limitations set forth by the Client, the Board of Directors of the Adviser (the "Board") has delegated certain day-to-day investment authority to an investment committee (the "Investment Committee") as well as certain senior managers at the Adviser. This is discussed in greater detail in Section 8 below.

The Clients hold investments selected by the Adviser in two ways.

1. Direct Holdings. Presently, the Clients directly hold the vast majority of investments within the first pillar. In the case of GECC, it retains a 50% interest in the investment on its balance sheet and such interest is contractually "ring-fenced" to and managed by the Adviser. Mubadala, on the other hand, has established a series of special purpose holding companies (each a "Direct Holding SPV") in which Mubadala's 50% interest of the joint venture assets are booked. Mubadala currently retains ownership of the Direct Holding SPVs, but these are managed by the Adviser pursuant to the JV Documents.
2. Pooled Client Vehicle. The Clients hold a small number of investments through a Bermuda limited partnership (the "Pooled Client Vehicle") in which each Client is a limited partner and the Adviser acts as general partner. The Pooled Client Vehicle has various special purpose subsidiaries that are wholly-owned by the Pooled Client Vehicle ("Pooled Vehicle SPV") and may create additional Pooled Vehicle SPVs to the extent required. When a Pooled Vehicle SPV is created, the Pooled Client Vehicle issues a series of limited partnership interests to the Clients for that specific Pooled Vehicle SPV, which can be a 50% interest to each of the Clients or such other percentage as is appropriate for such Pooled Vehicle SPV. The Pooled Client Vehicle has no independent investment objectives, strategies or limitations; it is purely a holding vehicle to facilitate the Clients' ownership of certain investments. First pillar investments and Second pillar investments may, in the future, be held through Pooled Vehicle SPVs.

All Client investments are managed by the Adviser under the JV Documents but, as stated above, are generally serviced for and on behalf of the Adviser by GECC in exchange for the fee described in Section 5 below.

GEFS and Mubadala Commercial Finance created the Adviser to also make investments for its own account. GEFS and Mubadala Commercial Finance each have an indirect interest in such investments as a 50%

owner of the Adviser, rather than as advisory clients. The Adviser, as a UAE Central Bank regulated entity, holds investments in the second pillar (*i.e.* META investments) directly on its balance sheet or through special purpose subsidiaries owned by the Adviser (each an "Adviser Holding SPV"). First pillar investments may, in the future, be held directly by the Adviser or through Adviser Holding SPVs. These investments are similar to those selected for Clients and held in the Direct Holding SPVs or Pooled Vehicle SPVs. Certain potential conflicts of interest resulting from these proprietary investments are discussed in Section 10, below.

As of 31 December 2011, the Adviser manages USD \$285 million of Client assets on a discretionary basis, held between the Pooled Client Vehicle (USD \$61 million) and the Adviser Holding SPVs (USD \$224 million). The Adviser does not hold any of Client assets on a non-discretionary basis. The Adviser holds approximately USD \$3.11 billion in assets in Direct Holding SPVs.

As of 31 December 2011, the Adviser manages USD \$3.17 billion of Client assets on a discretionary basis, held between the Pooled Client Vehicle (USD \$61 million) and the Direct Holding SPVs (USD \$3.11 billion). The Adviser does not manage any Client assets on a non-discretionary basis.

## **ITEM 5**

### **Fees and Compensation**

Pursuant to the JV Agreements, in consideration of GECC's services to the Adviser, a fee is payable to GECC based on a percentage of the average aggregate amortized cost of certain investments held by the Adviser (either through the Pooled Client Vehicle, the Adviser Holding SPVs or the Direct Holding SPVs). The amount to GECC is invoiced by it on a quarterly basis and is generally paid by the entities holding the assets (either directly or through the Adviser).

In the event there is any shortfall in available cash of those the entities which need to make a payment of the fee, Mubadala Commercial Finance and GEFS are required to make or cause capital contributions or other cash equity injections to fund the entities in accordance with their respective equity interests.

In addition to the above, pursuant to a services level agreement dated 28 November 2011 between the Adviser and the Clients (the "SLA"), each of Mubadala Commercial Finance and GEFS will pay the Adviser a fixed quarterly fee equal to USD \$2.25 million (the "Fee"). The Fee is paid in arrears within 30 days of the Clients' receipt of an invoice. Undisputed balances that are not settled within the 30 day period accrue interest. The Fee is paid by the Clients directly (through Mubadala Commercial Finance and GEFS, respectively), and is not deducted from Client assets or accounts by the Adviser.

If the SLA is terminated, the Adviser will receive a portion of the Fee corresponding to the portion the calendar quarter in which the agreement is terminated but for which services have been provided but have not yet been invoiced.

Mubadala Commercial Finance, GEFS and the Adviser shall review the Fee at the end of each calendar year to determine whether any adjustment in the Fee is needed to cover the Adviser's costs (including personnel expenses, operational expenses and overhead). The Fee is also used by the Adviser to pay an amount to each of the MGEC Subsidiaries equal to the actual cost of the MGEC Subsidiaries' provision of services plus a small premium equal to a percentage of such actual costs.

The Adviser does not receive a separate fee from the Pooled Client Vehicle for serving as general partner of such vehicle.

The Adviser does not earn any form of incentive or performance-based fee.

Neither the Adviser nor any of its supervised persons accept compensation for the sale of securities.

**ITEM 6**  
**Performance-Based Fees and Side-by-Side Management**

The Adviser does not charge or receive performance-based fees or allocations. Therefore, this Item is not applicable.

**ITEM 7**  
**Types of Clients**

The Adviser's sole clients are GECC (and its subsidiaries and affiliates) and Mubadala (and its subsidiaries and affiliates), which each own (indirectly) 50% of the Adviser. GECC and Mubadala are each sophisticated investors.

**ITEM 8**  
**Methods of Analysis, Investment Strategies and Risk of Loss**

Overview of Investment Discretion

*The Board.* The Board of the Adviser meets at least on a quarterly basis in Abu Dhabi, UAE. The Board has authority with respect to all decisions regarding the business of the Adviser, except to the extent delegated by the Board or reserved to the Clients in their respective capacities as shareholders of the Adviser. All investment decisions by the Board must be made by unanimous vote. The Board consists of three representatives appointed by Mubadala Commercial Finance and three representatives appointed by GEFS. The Board has delegated responsibility for day-to-day approval of certain investments to the Investment Committee. Generally, the Board concentrates on broader strategic issues regarding investments, such as geographic coverage, asset and product classes and financial performance and targets, as well as its fiduciary obligations and conflicts of interest. Moreover, both Clients, through their representatives on the Board and various Board committees actively participate in the governance of the Adviser, its affiliates and its managed entities.

*The Investment Committee.* The Investment Committee, which is majority attended and chaired from the UAE, generally is responsible for investment decisions. Generally speaking, individual decisions relating to specific investments in commercial finance assets (loans, leases, equity, etc) are not discussed at the Board level. The Investment Committee meets two to three times per week and consists of one representative of Mubadala Commercial Finance, one representative of GEFS and the Chief Executive Officer ("CEO") and Chief Investment Officer ("CIO") of the Advisor.

*The Clients.* To the extent that the Investment Committee does not have sufficient delegation to make an investment decision, that investment decision must be referred to the Clients for their individual approval. As such, such investments are subject to additional analysis and scrutiny conducted by the Clients.

Deals Sourced From GECC

The Investment Committee has the day-to-day authority to approve investments originated and closed by GECC, subject to certain limitations imposed by the Board. As mentioned above, some of this authority has been sub-delegated to certain senior managers within the business, also based in the UAE. MGEC US and MGEC Europe initially locate and screen investments suitable for purchase from GECC, which may eventually be presented to the Investment Committee. MGEC US and MGEC Europe will only be involved in opportunities for the Adviser to act as a "secondary buyer" by participating in deals that GECC has itself originated and closed (*i.e.*, first pillar investments).

The Investment Committee provides GECC and MGEC US and MGEC Europe with a set of parameters regarding types of transactions in which the Adviser may be interested, including size, nature of underlying

credit, key business metrics (e.g., EBITDA levels), industry and geography. MGEC US and MGEC Europe personnel have initial (but not sole) responsibility for communicating with GECC in order to assess potential investment opportunities for the Adviser, and will then work together with employees of the Adviser in the UAE to present such opportunities to the Investment Committee. Generally, the Adviser's employees will prepare and present these investment opportunities to the Investment Committee, and MGEC US and/or MGEC Europe personnel (as the case may be) participate as required in presentations to the Investment Committee. None of MGEC US, MGEC Europe or any of their respective personnel have any authority to bind the Adviser or the Clients. All investment decisions will be subject to the Adviser's personnel and the Investment Committee's independent review, including its risk analysis, underwriting and investment decision processes.

In conducting its initial review and screening, MGEC US or MGEC Europe will assess whether transactions originated and closed by GECC and offered to the Adviser for investment fall within the investment parameters and "strike zones" established by the Clients.

If MGEC US believes an investment falls within the "strike zone", the commercial background, detail of the transaction and supporting documentation will be sought from GECC and provided to the Adviser's investments team for review and due diligence calls will be held with GECC. If the Adviser's investments team supports a recommendation of the transaction, it will be presented to the Adviser Investment Committee or to the Adviser CEO and CIO if they have delegation to review the transaction, for a decision to be made on whether to invest in the transaction.

#### The META Platform – Deals Sourced by the Adviser

##### Corporate and Sponsor Finance

The Adviser's Corporate and Sponsor Finance strategy focuses on sourcing senior secured transactions valued at USD \$10 million and above, working directly with middle market companies, intermediaries and financial sponsors. The Adviser offers either asset backed or cash flow loans or structured leasing solutions.

The Adviser sources financing opportunities the following way:

- Direct with financial sponsors (Private Equity) financing either a buyout or growth capital at a portfolio company
- Direct bilateral financing transactions with middle market corporates
- Leads introduced through intermediaries such as investment banks, advisors or audit firms
- Opportunistic participations in large syndicated deals

Leads are screened initially against a strike zone established by the Adviser's originations and investment teams. This narrows the focus to the following:

- Companies in the UAE primarily, then in other META countries opportunisticallyFocus on private sector / listed companies with a track record
- Companies with greater than USD \$10 million in EBITDA
- In sectors such as industrial, logistics, transportation, healthcare, oil & gas, education, infrastructure, telecoms, manufacturing, food & beverage
- Business life > 4yrs (except construction; assumed 20+ yrs)

Investment decisions are based where a company has the following characteristics:

- Strong market position with an industry and sustainable competitive advantage
- Diversified revenue streams, with limited customer, supplier, and product concentrations
- Stable financial results with an ability to manage cycles and generates strong cash flow after servicing capital expenditures (Capex) & working capital
- Hard asset collateral or well secured structure to cover the loan
- Strong management teams with extensive industry expertise



### Project Finance & Equity

The Adviser views the Project Finance & Equity sector as a sizable market opportunity in the META region as projects in the region have demonstrated exceptionally low historical risk. The individual hold sizes will need to be larger to get meaningful project influence (~USD \$100 million).

The proposed strategy is to take minority equity investments with significant influence (~20-50% stakes) across the entire META region. The investments may be made as equity and/or debt, targeting growth markets with higher returns.

### Equipment Finance & SME

The Adviser's dedicated Equipment Finance & SME team focuses on sourcing asset finance transactions valued from USD \$500,000, working directly with local distributors of equipment, the global manufacturers of equipment and directly with the local end users of such equipment. The products offered by the Adviser are typically mortgaged back loans for registerable movable assets or lease structures where the Advisor is the legal owner of the assets being funded.

The Adviser sources financing opportunities the following way:

- through referral relationships with the local distributors and global manufacturers of the equipment;
- through direct contact with the local end users of such equipment; and
- leads introduced through intermediaries such as law firms, other financial institutions and audit firms.

Leads are screened initially against a strike zone established by the Adviser's originations and investment teams. This narrows the focus to the following:

- companies in the UAE primarily, then in Qatar and Oman opportunistically;
- focus on private sector companies typically with a minimum 3 year trading record;
- companies with turnovers from USD \$5 million / EBITDA of USD \$850,000; and
- in sectors such as industrial, logistics, transportation, healthcare, oil and gas, education, infrastructure, telecoms, manufacturing, food & beverage.

Investment decisions are based on the following key review areas:

- historic financial performance of the company including the review of past projects completed;
- current trading including review of debtors and creditors, debt profile, work in progress, backlog of business and review of business pipeline of business;
- market position within specific industry including review of revenue streams, customer, supplier, and product concentrations;
- detailed analysis of the assets being funded to determine the collateral provided over the term of the transaction; and
- review of management team and industry expertise.

### Risk Factors

Below is a discussion of certain risk factors related to the Adviser's investments and investment strategies and its operations.

*Business and Market Risks.* The investments the Adviser may make could involve a high degree of business and financial risk, which could result in substantial loss to the Clients. In particular, these risks could arise from changes in the financial condition or prospects of the entity with which a financing investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. The possibility of partial or total loss of capital will exist.

*Sector Risks.* The Adviser focuses its investment advisory activities on businesses in certain sectors and industries. If the Clients' portfolio becomes concentrated in a small number of sectors or industries, the value of the portfolio may be subject to more rapid changes in value than would be the case if the portfolio maintained a wide diversification among industries, sectors, companies, and types of securities. The Adviser actively seeks to diversify its portfolio in order to mitigate this risk.

*Conflicts of Interest.* As discussed in greater detail in Item 10 below, the Adviser faces a number of conflicts of interest in its operations. Many of these conflicts result from the fact that the Adviser is a joint venture between two independent entities, and each has Board and Investment Committee representation. These Board and Investment Committee members may be conflicted in their decision making in that they are employed by either GECC or Mubadala and, in certain circumstances, the interests of GECC and Mubadala with respect to the investment activities of the Adviser may diverge. For example, the Adviser currently is purchasing many of its investments opportunities from GECC. This arrangement could create various conflicts of interest for GECC as an owner of the Adviser and for the individual members of the Board and the Investment Committee representing GECC. As discussed below, GECC and Mubadala have taken a number of steps to mitigate conflicts of interest that may arise in the course of the Adviser's activities and operations.

In assessing the conflicts facing the Adviser, it is important to note that the Adviser was created by GEFS and Mubadala Commercial Finance through the JV Documents acting at arms' length and each has representation on the Adviser's Board and Investment Committee. The various powers and limitations provided to the Adviser and the decision-making structures by which it operates were negotiated and decided upon by GEFS and Mubadala Commercial Finance, who are both the Adviser's owners and its advisory clients. As a result, GEFS and Mubadala Commercial Finance are aware of the conflicts facing the Adviser and have taken steps in the JV Documents and in the Adviser's operations to address them.

*General Credit Risks.* The Clients may be exposed to losses resulting from default on a debt obligation and foreclosure. The value of the underlying collateral, if any, the creditworthiness of the borrower and the priority of the lien are each of great importance (although the Adviser may invest in subordinate or second priority liens). There is no assurance that the Adviser will correctly evaluate the value of the assets collateralizing the loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Adviser causes the Clients to invest, the Clients may lose all or part of the amounts advanced to the borrower. The Adviser cannot guarantee the adequacy of the protection of its interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Adviser cannot assure that claims may not be asserted that might interfere with enforcement of the Clients' rights. In the event of a foreclosure, the Clients or the Adviser (depending upon the holding structure used) may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to that fund. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

*Structured Finance Securities.* The Adviser may invest the Clients' assets, directly or indirectly, in non-recourse or limited-recourse debt obligations and equity securities issued by special purpose vehicles, including asset-backed securities, collateralized debt obligations, and similar securities and the synthetic equivalent of such securities. Such securities are commonly referred to as structured finance securities. Structured finance securities present risks similar to those of the other types of investments that the Adviser may make and such risks may be present to a greater degree in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other risks, structured finance securities may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk, and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance security changes based on multiples of changes in interest rates or inversely in relation to changes in interest rates).

*Non-U.S. Investments - Economic, Political, and Legal Risks.* The Adviser will invest some or all of the Clients' assets outside the United States. Investments in certain countries and regions may pose a range of potential economic, political, and legal risks that may not exist elsewhere. The economies of individual countries may differ with respect to growth of gross domestic product or gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Each country has different standards of regulation with respect to matters such as government approval requirements, as well as insider trading rules, restrictions on market manipulation, shareholder proxy requirements, and timely disclosure of information. Reporting, accounting, and auditing standards of different countries vary, and little information may be available to investors in securities or other assets of such issuers. Other potential risks that could have an adverse effect on investments include (depending on the country involved) nationalization, expropriation, confiscatory taxation, negative diplomatic developments, and other governmental actions that make it difficult or impossible to liquidate assets and distribute proceeds. The laws of various countries governing business organizations, bankruptcy, and insolvency may make legal action difficult and provide little, if any, legal protection for investors.

*Currency.* The value of Clients' assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Adviser changes Clients' investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. In order to try and mitigate these risks, the Adviser intends to hedge its foreign exchange rate investments in the future.

## **ITEM 9**

### **Disciplinary Information**

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

## **ITEM 10**

### **Other Financial Industry Activities and Affiliations**

#### MGEC Subsidiaries and Secondment Arrangements

The Adviser is the whole-owner of the MGEC Subsidiaries, which, as discussed above, provide certain due diligence and investment screening services to the Adviser, among other things.

Currently, the employees of MGEC US and MGEC Europe are employees of GECC who are seconded to the Adviser. Those same employees are then seconded from the Adviser to MGEC US or MGEC Europe, as the case may be. During the term of a secondment from GECC and a subsequent secondment to MGEC or US MGEC Europe, such personnel will remain employees of GECC; however, such personnel will have no ongoing role or responsibilities at or to GECC during the term of their secondment. In the future, MGEC US and MGEC Europe may employ personnel directly in which case such employees will not be GECC secondees. Employees of MGEC Turkey are employed directly by that entity.

The Adviser leases office space in Abu Dhabi from an affiliate of Mubadala. MGEC US and MGEC Europe lease office space in Connecticut and London respectively from affiliates of GECC. MGEC Turkey leases office space in Istanbul from an unrelated third party. All such lease arrangements are on commercial, arm's length terms approved by the Board; this serves to mitigate any potential conflict of interest arising from the fact that affiliates of the Clients are the landlords of the Adviser, MGEC US and MGEC Europe.

#### Purchases and Sales from GECC

GECC, as noted above, is an indirect 50% owner of the Adviser. As described in Item 4 above, GECC will originate on its own account and may offer certain investments to the Adviser, initially through liaising with MGEC US or MGEC Europe (as the case may be). The Clients have agreed upon Investment Limitations that are applicable to the investments purchased from GECC, and the Board has imposed further requirements on the Investment Committee's ability to approve investments. These Investment Limitations and additional requirements attempt to ensure that investments presented to the Adviser meet certain standards, mitigating the risk that GECC would attempt to off-load poor investments to the Adviser in order to spread the losses from such investments between GECC and Mubadala.

In addition, Investment Committee investment approval decisions must be unanimous. Given that Mubadala Commercial Finance has a representative on the Investment Committee, no investment decision can be made until Mubadala Commercial Finance's representative on the Investment Committee is satisfied with the due diligence and analysis performed on an investment to be purchased from GECC as well as the price to be paid.

Although the securities GECC does in fact present to MGEC US and the Adviser may be suitable and high-quality, it is possible that GECC could selectively decide which securities to present to MGEC US and the Adviser, "cherry picking" the best and most lucrative investments and retaining those investments for its own account. This possibility is mitigated by the fact that the Adviser closely monitors GECC's syndication of investments to other third parties, permitting it to identify any transactions which were not offered to the Adviser. This permits the Adviser to follow up with GECC to ensure that deals offered to the Adviser and the Clients are not being adversely selected by GECC. Although there is no policy in place with respect to "cherry picking", the Adviser is aware of the potential conflict but believes it is sufficiently involved in the GECC syndication process to mitigate the risk.

#### Servicing Fee to GECC

As noted in Item 5 above, the Adviser and any entities used to hold investments will pay a servicing fee to GECC with respect to any investment for which GECC performs servicing activities. The terms of the servicing arrangement and the amount of the fee were determined at arms' length between GEFS and Mubadala Commercial Finance in the process of negotiating the JV Documents, and Mubadala Commercial Finance's representation on both the Board and the Investment Committee provide it with the opportunity to oversee the services provided by GECC and the reasonableness of the servicing fee.

#### Booking of Investments

The manner in which acquisitions or investments are booked (either in a Direct Holding SPV, in a Pooled Client Vehicle or in an Adviser Holding SPV) will vary depending upon the tax, accounting, legal, financing, economic and other considerations of the Adviser and its Clients. The final decision on the structure to be used will be made by the Adviser.

#### Other GE and Mubadala Affiliates

GECC and Mubadala each are active in the financial industry and, through subsidiaries and affiliates, are involved in a wide range of financial activities.

*Mubadala Infrastructure Partners Limited.* The Adviser is under common control with Mubadala Infrastructure Partners Limited ("MIP Limited"), an investment adviser that manages one or more funds collectively called Mubadala Infrastructure Partners Fund. MIP Limited and the funds it manages were established by GE MIP Investments LLC (a Delaware limited liability company and wholly owned subsidiary of GE), Mubadala Infrastructure Investments Limited (a Jebel Ali Freezone limited company and wholly owned subsidiary of Mubadala Development Company PJSC) and Credit Suisse MIP Fund Investments, Inc. (a Delaware corporation and wholly owned subsidiary of Credit Suisse) to make infrastructure investments in

the Middle East and North Africa. MIP Limited and the Adviser do not share common employees, office space or resources. In certain cases, MIP Limited may invest in the same types of securities as the Adviser and, at times, may be in competition with the Adviser in seeking to make such investments. In such cases, the Adviser and MIP Limited plan to partner when making the investments. As a result, clients may not be allocated the same amount of each investment had the Adviser and MIP limited not partnered in making the investment.

**GECC Affiliates.** GECC is a wholly-owned subsidiary of GE, a diverse conglomerate with numerous subsidiaries and a global presence in a variety of markets. Certain of GE's subsidiaries are involved in the financial industry, including the provision of investment advisory services. Certain of these subsidiaries and their clients may employ investment strategies that are similar to those pursued by the Adviser, and may make investments in similar investments or invest in similar industries and regions.

## **ITEM 11**

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### Code of Ethics

The Adviser and the MGECC Subsidiaries have adopted a Code of Ethics (the "Code") designed to ensure compliance with Rule 204A-1 under the Advisers Act. The Code applies to all partners, principals, directors, officers, employees and supervised persons of the Adviser and each of the MGECC Subsidiaries (each a "Covered Person"). The Adviser and the MGECC Subsidiaries strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, the Code incorporates the following general principles that all Covered Persons are expected to uphold:

- Covered Persons must at all times place the interests of the Clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of a Covered Person's position of trust and responsibility must be avoided;
- Covered Persons must not take inappropriate advantage of their positions; and
- information concerning the portfolios and financial circumstances of the Clients must be kept confidential.

Finally, Covered Persons are required to comply with applicable federal securities laws at all times.

Violations of the Code are subject to the imposition of sanctions, up to and including termination of employment with the Adviser.

A copy of the Code will be provided to a Client upon request.

#### Personal Trading Reporting in the Code

The Code provides that, subject to limited exceptions, each Covered Person must periodically submit to the Compliance Officer a report of the holdings in the accounts in which the following persons have a direct or indirect beneficial ownership interest or over which the following persons exercise any investment control, influence or discretion: (i) the Covered Person, (ii) any member of the Covered Person's immediate family who resides with the Covered Person or to whose support the Covered Person significantly contributes, which may include the Covered Person's spouse, children, stepchildren, grandchildren, parents, grandparents, stepparents, siblings, persons with whom a Covered Person has an adoptive or in-law relationship or (iii) any other person who may reside with a Covered Person or to whose support a Covered Person significantly contributes. (Each individual identified in clauses (ii) and (iii) a, "Relevant Person") The holdings reports must contain, at a minimum: (i) the title and type of security, and, as applicable, the exchange ticker symbol or CUSIP number, number of shares and principal amount of each reportable security in which the Relevant Persons have any direct or indirect beneficial ownership, (ii) the name of any broker, dealer or bank with which the Relevant Persons maintain an account in which any securities are held

for the Relevant Person's direct or indirect benefit, (iii) if securities are held other than with a broker, dealer or bank, the location of the securities, and (iv) the date that the Covered Person submits the report to the Compliance Officer.

Each Covered Person must also send to the broker-dealer(s) or financial institution(s) carrying each account a letter authorizing and directing that it forward duplicate monthly statements, as well as any other information or documents as the Adviser's Compliance Officer may request, directly to the Adviser.

The Code requires each Covered Person to prepare or certify, on at least an annual basis, reports of securities holdings and transactions. Covered Persons may submit monthly account statements instead of providing the above described holdings report.

#### Material, Non-Public Information.

The Code includes policies and procedures concerning "inside information" (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. Covered Persons are required to certify to their compliance with the Code, including the Insider Trading Policies, on a periodic basis. The Insider Trading Policies prohibit the Adviser and Covered Persons from trading for Clients or themselves, or recommending trading, in securities of a company while in possession of material, non-public information ("Inside Information") about the company, and from disclosing such information to any person not entitled to receive it.

By reason of their various activities, Adviser personnel may have access to Inside Information and, as a result, be restricted from effecting transactions in certain investments that might otherwise have been initiated. For example, there may be certain cases where the Adviser or its personnel receive Inside Information due to their various activities on behalf portfolio companies in which the Adviser has made investments, which could result in either limited liquidity in the investment (i.e., an inability to sell the investment as a result of having the Inside Information) or in the Adviser or its personnel being prohibited from using such information for the benefit of the Clients. The Adviser seeks to minimize those cases whenever possible, consistent with applicable law and its Insider Trading Policies, but there can be no assurance that such efforts will be successful.

#### Participation in Client Transactions

As noted above, the Adviser purchases securities from GECC (which is an indirect 50% owner of the Adviser). The conflicts and issues resulting from this arrangement are discussed in Item 10 above.

### **ITEM 12 Brokerage Practices**

The Adviser does not generally provide advice with respect to securities transactions that require execution through a broker.

Were the Adviser to do so, however, it would have the discretion to select a broker for the Clients' transactions. In placing portfolio transactions that require execution through a broker, the Adviser would be required to use reasonable diligence to ascertain the "best" market price for all securities bought or sold in that market so that the price to the Clients is as favorable as possible under prevailing market conditions. The determinative factor in such a consideration is whether the transaction represents the best qualitative execution for the Clients and not whether the lowest possible commission cost is obtained. The Adviser would consider the full range of quality of the broker's service in selecting brokers to meet best execution obligations and may not pay the lowest commission rates available. The Adviser would generally take the following factors, among others, into account to select brokers for portfolio transactions: (i) the ability to affect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (ii) the operational efficiency with which transactions are affected, taking into account the size of order

and difficulty of execution, (iii) the financial strength, integrity and stability of the broker, (iv) the broker firm's risk in positioning a block of securities, (v) the quality, comprehensiveness and frequency of available research services considered to be of value, and (vi) the competitiveness of commission rates in comparison with other brokers satisfying the Adviser's other selection criteria. The Adviser would not be required to weigh these factors equally.

### **ITEM 13**

#### **Review of Accounts**

The Adviser monitors the composition of the Clients' portfolio regularly through a 'Portfolio Management Review' tool (PMR), which records all key financial and commercial information on a transaction and tracks performance to forecast and monitor areas such as covenant compliance and receipt of financial information. The Adviser also performs a quarterly review of the portfolio in form of a presentation to the Investment Committee and the Adviser's leadership team. This review process involves a deep dive into the portfolio in terms of concentrations, risk rating migrations, review of watchlist/non-performing accounts, and performance on key risk metrics. Any breach of triggers to key risk metrics is highlighted with a follow-up action. This is performed for the overall portfolio as well as at each asset class level.

A risk rating is assigned to each account and is updated on a periodic basis. The ratings (Probability of Default (PD) & Loss Given Defaults (LGD)) are generated based on company provided financial information, any account beginning to show some level of strain is reclassified in our risk classification category (Pass, Focus, Special Mention, Substandard, Doubtful, Loss). All non-performing accounts are reviewed in depth with the CIO on a weekly basis. Pass accounts are reviewed concurrently with the relevant GECC businesses, usually quarterly depending on business. A monthly portfolio tracker is reviewed in order to permit any material deviations from planned or prior performance to be highlighted and investigated with the relevant GECC deal team.

With respect to amendment and waiver requests, these are reviewed by the Adviser when submitted by the borrower. Initial screening is conducted by internal legal counsel and the portfolio team in order to determine whether the request falls within the list of restricted list set out in an Exhibit to the JV Documents (the "Exhibit"). The Exhibit provides details of all amendments or waivers where GECC must obtain approval of the Adviser prior to voting on the amendment or waiver request. If it is determined that the requested amendment or waiver falls within the Exhibit, an approval memo is prepared by the Adviser for submission to the CIO or the Investment Committee (depending on delegation) outlining the request and rationale for approval or decline. Once the necessary approvals have been obtained, a response is sent to GECC.

### **ITEM 14**

#### **Client Referrals and Other Compensation**

The Adviser does not receive any economic benefit from a third party for providing investment advice or other advisory services to the Clients.

### **ITEM 15**

#### **Custody**

As general partner of the Pooled Client Vehicle, the Adviser has custody of certain of the Clients' assets for purposes of the Advisers Act. Cash and cash management instruments held by the Pooled Client Vehicle are maintained with HSBC, which constitutes a "qualified custodian" under the Advisers Act.

In order to comply with the Advisers Act's "custody rule," the Adviser ensures that the Pooled Client Vehicle and the Pooled Vehicle SPVs are audited each year by an independent public accountant that is both registered and inspected by the U.S. Public Company Accounting Oversight Board, and that audited financial statements for the Pooled Client Vehicle are provided to the Clients within 120 days of the end of the Pooled Client Vehicle's fiscal year.

**ITEM 16**  
**Investment Discretion**

The Adviser has investment discretion for all of the assets pledged by the Clients. As discussed above in Item 4, the Clients have and will continue to impose Investment Limitations that limit the Adviser's discretion in a variety of ways. The Clients may amend or provide an exception to the Investment Limitations from time to time in consultation with the Adviser as described in response to Item 8 and Item 13 above. In addition to the Investment Limitations set forth by the Client, the Board has delegated certain day-to-day investment authority to the Investment Committee and certain members of senior management, as discussed in Section 8 above. The Board imposes certain additional, narrower limitations on the investments that the Investment Committee may authorize without Board approval than would otherwise be required by the Investment Limitations.

**ITEM 17**  
**Voting Client Securities**

Although the Adviser does not expect to be called upon to vote proxies, it has the authority to vote proxies on behalf of the Clients in certain cases. In the event the voting of proxies is required, the Adviser has adopted a policy governing the voting of proxies that is designed to ensure that the Adviser votes Client securities in the best interest of the Clients. The Adviser generally will vote proxies so as to promote the long-term economic value of the underlying securities. Each proxy proposal will be considered on its own merits, and an independent determination will be made whether to support or oppose management's position. The Clients each have received a copy of these proxy voting policies, and, in the future, may obtain information about how Adviser has voted or intends to vote the Clients' proxies by calling Pierre Abinacle, at +971 2 401 3127.

**ITEM 18**  
**Financial Information**

This Item 18 is not applicable.

**ITEM 19**  
**Requirements for State Registered Advisers**

This Item 19 is not applicable.