

MMF Capital Management LLC

Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of MMF Capital Management LLC, d/b/a Midwest Mezzanine Funds (“MMF”). If you have any questions about the contents of this brochure, please contact Paul G. Kreie at (312) 291-7303 and at pkreie@mmfcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MMF Capital Management LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for the Adviser is 161003.

MMF is an investment advisor registered with the Securities & Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

March 24, 2014

Material Changes

This Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Pursuant to the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes, as necessary.

We will provide you with a new Brochure, as necessary, based on changes or new information at any time without charge. Our brochure may be requested by contacting Paul G. Kreie, Chief Compliance Officer, at (312) 291-7303 or pkreie@mmfcapital.com.

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Advisory Business

Item 4, ADV Part 2A

MMF Capital Management, LLC, d/b/a Midwest Mezzanine Funds (“MMF”), a Delaware limited liability company and a registered investment adviser, provides investment advisory services to private investment funds. MMF commenced operations in 2006 and was preceded by Midwest Mezzanine Management, Inc., which was founded in 1992 and originally operated as a part of The Chicago Corporation. Through a series of transactions, Midwest Mezzanine Management, Inc. was a subsidiary of ABN AMRO Corporation and LaSalle Bank Corporation, until becoming an independent operating entity through MMF in 2006. MMF’s principal owners are David A. Gezon, J. Allan Kayler, C. Michael Foster, and Paul G. Kreie (collectively, the “Managers”).

Currently, MMF advises only Private Investment Funds, and no separately managed accounts. MMF manages the following Private Investment Funds (collectively, the “Funds”):

- Midwest Mezzanine Fund IV, LP, a Delaware limited partnership (“Fund IV”), with Midwest Mezzanine Management IV, LLC as the General Partner (the “Fund IV GP”);
- Pantheon Fund IV Mezzanine Investments, LLC, a Delaware limited liability company (“Pantheon Fund IV”);
- Midwest Mezzanine Fund III, LP, a Delaware limited partnership (“Fund III”) with Midwest Mezzanine Management III, LP as the General Partner (the “Fund III GP”, and collectively with the Fund IV GP, the “General Partners”); and
- BAC CCC Mezzanine Investments, LLC, a Delaware limited liability company (“BAC”, and collectively with Fund IV, Pantheon Fund IV and Fund III, the “Funds”).

MMF, the General Partners and the Funds have entered into respective agreements, pursuant to which MMF handles the day-to-day responsibility for the management of the business affairs of the Funds, including the authority to make the investment decisions on each Fund’s behalf. Investors should note that the General Partners and MMF (collectively, the “Advisers”) share common owners and personnel.

MMF invests primarily in the securities of privately-held, middle market companies securities (each a “Portfolio Company” and collectively, the “Portfolio Companies”)

located throughout the United States and Canada, on behalf of the Funds it manages. The Funds that MMF manages purchase subordinated debt and equity securities, with subordinated debt securities representing the majority of the investments. MMF's advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating, managing and monitoring investments, and achieving realizations for such investments.

MMF's advisory services, including any limitations, for the Funds are detailed in the respective limited liability company and partnership agreements (collectively, the "Investor Agreements") and management services agreements. The advisory services are also further described in this brochure under "Methods of Analysis, Investment Strategies and Risk of Loss". Investors in the Funds' typically participate in the Funds' overall investment program and do not have discretion over specific investments; however, Investors in Pantheon Fund IV and BAC retain the right to opt-out of certain investments and approve certain amendments to existing investments due to tax, legal, regulatory or other similar reasons.

Direct Services to Portfolio Companies

MMF may also provide certain business or consulting services to Portfolio Companies in which it invests for the Funds. These services include analysis of acquisition targets, developing corporate strategy and assistance in debt financing. Investors in the Funds are aware of these services as they are described in the Investor Agreement.

Assets Under Management

As of December 31, 2013, MMF managed approximately \$168,521,037 in client assets on a discretionary basis in six accounts and no assets on a non-discretionary basis.

Fees and Compensation

Item 5, ADV Part 2A

In general, MMF receives a management fee in connection with the advisory services it provides to the Funds and may receive additional compensation in connection with the management and other services performed for and paid by the Portfolio Companies. MMF and the General Partners receive a carried interest or other contingent fee based on the performance of each respective fund (see “Performance Based Fees and Side by Side Management”). Investors in the Funds also bear certain fund expenses, as further described below. Investors should refer to the respective Fund’s Investor Agreement for the detailed fee provisions.

Management Fees

Each of the Funds pays MMF a management fee (the “Management Fee”) at annual percentage rates as set forth below:

- Fund IV and Pantheon Fund IV pay MMF an annual Management Fee equal to 1.75% of the Average Investments* payable quarterly in arrears;
- Fund III pays MMF an annual Management Fee equal to 1.5% of the Average Investments*, payable quarterly in arrears; and
- BAC pays MMF an annual Management Fee of 1.0% of the Average Investments*, payable quarterly in arrears.

**Average Investments means, with respect to any quarter, the average of the aggregate cost of the Fund’s portfolio investments, adjusted for realizations or writeoffs, as of the last day of each calendar month in such quarter.*

The Management Fee and any other payments due to MMF from the Funds are typically deducted from the investors’ quarterly cash distributions. To the extent a quarterly cash distribution is less than the amount due, a capital call can be initiated to cover any shortfall.

The Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Investor Agreements, over the term of the Fund and investors generally are not permitted to withdraw or redeem interests in the Funds, as described more fully in the Funds’ respective Investor

Agreement.

As further specified in the Investor Agreements and as described below, the Management Fee for any Fund may be reduced in an amount equal to a portion or all of any investment fees (i.e., closing fees, amendment fees or other transaction-related fees) earned by MMF in connection with a portfolio investment and service fees (i.e., fees paid by the Portfolio Company in connection with monitoring, consulting or business services provided by MMF).

Other Compensation

MMF may provide certain business or consulting services to Portfolio Companies and may receive compensation from these companies in connection with such services. These services may include analysis of acquisition targets, developing corporate strategy and assistance in debt financing. As described in more detail in each Fund's respective Investor Agreement, in most instances all of these fees are distributed to the respective Fund investors. However, with two client Funds, these fees are split such that 50% of such fees are paid to the investors of that Fund, and 50% are retained by MMF.

Transaction Costs/Expenses

In addition to the Management Fee and carried interest payable to MMF, the Funds bear certain expenses. As detailed more fully in the respective Investor Agreements, the Funds are responsible for accounting, legal, investment banking, advisory board, taxes, consulting, insurance, banking, extraordinary and other similar fees and expenses, but **not** MMF expenses incurred in connection with its operations and affairs in the ordinary course of its business (e.g., employee compensation and benefits, rent, utilities, business development, etc.). The Funds pay no transaction costs for the acquisition of the securities in the Funds.

Certain investors in Fund III who are employees or affiliates of MMF are exempt from paying the Management Fee related to their respective investment in Fund III.

Performance-Based Fees and Side-By-Side Management

Item 6, ADV Part 2A

Performance Based Fees

MMF will receive a share of the realized profits from a particular fund (the “Carried Interest”) as more fully described in each Fund’s Investor Agreement. In general, the Carried Interest will be payments of 15-20% of realized profits. Investors must receive a preferred return before the Carried Interest can be paid. Any Carried Interest distributed to MMF is subject to a potential giveback at the end of the life of the Fund if the MMF has received excess cumulative distributions.

Managers and other investment professionals of MMF may individually receive a portion of the Carried Interest or other performance-based compensation, if any, received by MMF. The Managers’ interest is a portion of MMF’s allotment of a Carried Interest, and not a separate distribution from the Fund.

Certain investors in Fund III who are employees or affiliates of MMF are exempt from paying the Carried Interest related to their respective portions of Fund III.

Conflicts of Interest

MMF manages investments within multiple pools of capital at the same time. As such, potential conflicts of interest may arise. For example, an existing Portfolio Company may be pursuing a transaction that would lead to an investment realization for one of the Funds and the new potential investor may solicit MMF’s interest in reinvesting.

Alternatively, as certain Funds focus on different types of investments (e.g., second lien debt vs. unsecured debt), two Funds may hold two different types of securities in the same Portfolio Company simultaneously. Both situations could potentially present a conflict of interest between the investors within the two different Funds.

The meaningful investment of MMF’s Managers and investment professionals in the Funds, as well as their participation in the Carried Interest and other performance-based compensation, operate to align, to a large extent, the interest of the Managers and investment professionals with the interest of the respective Funds’ investors. In the event a conflict of interest arises, MMF will attempt to resolve such conflict of interest in light of its obligations to the Funds’ investors. Where a conflict may arise between Funds, MMF

will usually consult with and receive consent to such an investment from an advisory board consisting of certain large investors for the respective Fund.

Moreover, MMF does not currently manage any Private Investment Funds that do not have a Carried Interest or performance fee component. Therefore, there is no conflict with side-by-side management of clients with performance fee structures alongside those without a performance fee component.

Types of Clients

Item 7, ADV Part2A

MMF provides investment advice exclusively to Private Investment Funds which may include investment partnerships or other investment entities formed under domestic law and operated as exempt pools under the Investment Company Act of 1940, as amended (the “Investment Company Act”). The investors participating in Private Investment Funds may include insurance companies, pension and profit-sharing plans, individuals, banks or thrift institutions, trusts, estates or charitable organizations or other corporations or business entities and usually include, directly or indirectly, the Managers and certain other investment professionals of MMF and its affiliates.

The Funds generally have a minimum investment amount of \$1,000,000 for third-party investors, which may be waived by the general partner of the respective Fund on a case-by-case basis. Interests in the Funds have been offered and sold solely to institutional or other accredited investors or to qualified knowledgeable MMF personnel. The current Funds are closed and are not accepting new investors.

Methods of Analysis, Investment Strategies and Risk of Loss

Item 8, ADV Part2A

General

The General Partners and the investors of each of the Funds have selected MMF to provide day-to-day investment advisory services, subject to the terms of the respective Investor and management service agreements in place, and the supervision of the advisory boards for the various funds. Accordingly, MMF's investment methodology is described below.

MMF focuses primarily on purchasing subordinated notes of middle-market companies. While there are exceptions, individual investments are typically \$3 million to \$15 million in size and, in addition to the subordination debt, often include a non-control equity component. The Funds' capital is used to finance private equity-led leveraged buyouts, management buyouts, acquisitions, recapitalizations and growth. MMF generally pursues transactions involving privately-held companies and the investments are privately negotiated. An effort is made to maintain a broad industry focus, with historical investments in the value-added distribution, for-profit post-secondary education, business services, light manufacturing and healthcare industries.

There can be no assurance that MMF will achieve the investment objectives of the Funds and a loss of investment may be possible.

Investment Strategy

Investment Evaluation

Responsibility for evaluating each investment opportunity is typically assigned to a team of two to three of MMF's investment professionals. This team updates the entire investment team at regularly scheduled review meetings (normally held weekly) and more frequently on an informal basis. The evaluation process begins with an assessment of the business and its strategy, competitive position, financial performance and management team. For the opportunities that progress towards closing, MMF conducts extensive diligence regarding all aspects of the business. In addition, MMF typically engages third-party advisors (if advisors have not been engaged by another outside investor) on behalf of the Funds to assist in the analysis of the business prospects of the Company, the competitive environment and/or verify various aspects of its financial results.

The evaluation process eventually culminates in an investment memorandum in which the team presents all aspects of the diligence process and its conclusions, including outlining the identified risks of the specific investments and the investment team's view of the mitigants to those risks. The investment team also reviews the overall investment strategy and initiatives to be pursued during the investment horizon, the contemplated capital structure, the forecasted returns and the anticipated sources of a realization for the investment.

Investment Structure

The Funds typically invest in subordinated notes with a minority equity co-investment. The subordinated notes typically feature a cash interest coupon payable on a quarterly basis. Additionally, interest paid-in-kind (i.e., non-cash interest compounded to the balance of the note quarterly) may be utilized in conjunction with the cash coupon. The term of the notes will generally be five to seven years with no amortization of principal until maturity. The notes are contractually subordinated to the senior indebtedness of the issuing Portfolio Company. Equity securities or warrants will typically be purchased or acquired in conjunction with the purchase of the subordinated notes, providing the Funds with minority equity participations in the Portfolio Companies.

It should be noted that the debt securities are typically unsecured, i.e., do not have a lien on any of the Portfolio Company's assets. Occasionally the Funds' notes are secured by a second lien on the borrower's assets, subordinated to that of the senior lender. These notes often carry a lower interest rate in exchange for the security.

Investment Monitoring

Post-closing, MMF monitors a Portfolio Company's performance through reviewing monthly financial reporting packages, attendance at quarterly board or management meetings, and obtaining industry information from third-party sources in order to provide insights to potential changes in business prospects or strategic direction as early as possible. The Managers or other investment professionals of MMF may serve on the Portfolio Company's respective boards of directors as members or observers. MMF will spend more time, including the retention of outside advisors, to support management and monitor the investment as necessary.

Investment Income and Realization

MMF normally anticipates an investment period of three to seven years, during which time

the investors typically receive quarterly distributions consisting of a pass-through of the Portfolio Company's quarterly interest payments, net of management fees and expenses. In general, the timing of any additional cash realization from the investment (return of capital, capitalized interest and/or capital gains) is dictated by a Portfolio Company's ability to execute on its original investment thesis, the associated financial performance, performance, future prospects, and market conditions. The Funds' investments are typically repaid through internal cash flow, a recapitalization or a change of control transaction.

Risks of Investment

An investment in the Funds involves a significant degree of risk since there can be no assurance that an investor will receive a return of any part of its investment or receive a return on its investment. The risks to be considered include, but are not limited to:

- Investment in the Funds requires a long-term commitment, with no certainty of return. While there is potential for a substantial rate of return, there is also the potential that losses will be incurred, including a complete loss of capital. The Funds ability to earn profits from their respective investments is uncertain, and no assurances can be given about the expected profitability of the Funds or when such profits, if any, may be realized. An investment in the Funds is suitable only for investors able to sustain a complete loss of their investment.
- The success or failure of the Fund's investments is dependent upon several factors that could adversely impact the Fund's ability to have its investments repaid or to generate a profit for the investors. These factors include, but are not limited to, the dependence upon:
 - The management of the Portfolio Companies;
 - The Portfolio Companies retaining their customer bases and existing sales volume;
 - The tax and legal environment not materially changing throughout the term of the Fund; and
 - General economic and political conditions, including, but not limited to, the level and volatility of interest rates, changes in the law, and national and international political circumstances.
- The Funds' debt investments will be subordinated to a Portfolio Company's senior indebtedness. Upon the occurrence of certain events, this subordination could prevent a Portfolio Company from paying its interest or principal payments to the Funds on a temporary or permanent basis. In a bankruptcy proceeding, this subordination could require the Funds to pay over to the holder of the Portfolio Company's senior indebtedness any distribution to which the Funds would

otherwise be entitled as a creditor until such senior indebtedness is paid in full.

- MMF's ability to identify and successfully negotiate suitable investment opportunities is not guaranteed. The supply or the demand for junior capital could be changed by several factors including additional competitors entering the market, the aggressiveness of senior lenders, or significant changes in interest rates. These factors could increase MMF's difficulty in finding and making attractive investments.
- Any investment in the Funds should be viewed as illiquid. The investors' interests are not transferable except with the authorization of the General Partner and voluntary withdrawals of Limited Partnership interests and LLC memberships are not permitted. While the investors may achieve some liquidity from distributions of current income, the amount and timing of distributions is dependent upon the performance of the Portfolio Companies and the ability of the owners of those Portfolio Companies to sell or refinance their Portfolio Company at the most advantageous times and favorable terms. It is not anticipated that the Funds' debt and equity securities will have a public market.
- In order to reduce the risk of poor investments adversely impacting the overall profits of the Funds, MMF seeks to diversify the investments within any particular fund. There is no guarantee that the MMF will be able to diversify the investments, and even if such diversification is achieved, diversification cannot guarantee the profitability of the Funds.
- The success of the Funds is dependent upon the ability of MMF to originate structure and close suitable investments, to manage the Funds' investments, and to realize the Funds' investments at appropriate returns to Investors.
- If an investor fails to fund its capital commitment obligations when due, each Fund's respective ability to complete its investment program may be substantially impaired. A default by investors that have substantial capital commitments would limit opportunities for investment diversification and likely reduce the returns to the respective Fund.
- An investor's failure to make any capital contribution as required in the respective Investor Agreement may result in the investor's forfeiture of a significant portion of its limited partnership interest or LLC membership. MMF will also have other remedies available to them to assert against a defaulting Investor.
- A Fund's expenses (including the quarterly Management Fee) may exceed a Fund's cash flow, thereby requiring that the difference be made up out of Investors' capital.
- MMF personnel may actively participate in the management of many of the Portfolio Companies. In many cases, that active management involves serving on the board of a Portfolio Company. These activities could (i) expose the assets of the Funds to claims by a Portfolio Company or its security holders or creditors that the respective Fund is a controlling person and thus is liable for securities law violations of the Portfolio Company; (ii) result in certain disabilities in the event of a

bankruptcy or reorganization of a Portfolio Company; (iii) result in claims against the respective Fund if the designated directors violate their fiduciary duties to a Portfolio Company; or (iv) expose the respective Fund to claims that it has interfered with the management of a Portfolio Company resulting in a loss to such Portfolio Company. Although the MMF intends to manage the Funds in a manner that will minimize the Funds' exposure to these risks, the possibility that these claims will be made remains.

- As part of an investment in a Portfolio Company, the Funds are usually required to sell their respective Equity Interests and Equity Securities when a majority of the equity holders intend to sell. The interests of those requiring the equity be sold will not necessarily be aligned with those of the Funds and could result in a disposition of an interest in Portfolio Company at a time when MMF may prefer to retain the investment.
- The interest rate associated with the Notes is typically such that the Portfolio Company has economic incentives to prepay the Notes. Although the investments typically include a restriction on the prepayment of the Notes and impose prepayment premiums for prepayments in early years, Investors should recognize the Notes issued by Portfolio Companies with the best credit are those most likely to be refinanced before the end of the term of such Notes.
- In order to dispose of an investment of a Portfolio Company the Funds may be required to indemnify the purchaser of the Portfolio Company against certain losses to the extent representations were made by the Portfolio Company or its equity holders that prove to be inaccurate. Thus, the Funds may incur contingent liabilities of this nature and, to the extent that the Funds are required to make payments with respect to such liabilities, such payments may reduce distributions to Limited Partners.
- Investors may be required to return distribution(s) to fund the Funds' indemnification obligations to the General Partner, the Advisers, or other Covered Persons (as defined in the Investor Agreements) in an amount not to exceed 25% of the aggregate distribution received by an investor.
- As a result of acquiring Equity Interests along with Notes, the Funds may generate "original issue discount" which, when amortized, will produce current income to the investors even though the Funds have not realized any corresponding current cash flow from such income.
- Investments by the Funds in Operating Partnerships will also result in the investors being allocated current income produced by such Portfolio Companies. MMF intends to negotiate covenants that will require the Portfolio Company to make tax distributions to the Fund to cover the estimated tax liability associated with such income allocations. There are no guarantees that the Operating Partnership will be able to make distributions to cover such tax liability— in whole or in part.

Disciplinary Information

Item 9, ADV, Part 2A

Neither MMF nor any of its Managers, owners or executive officers has any disciplinary history or information to report.
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Other Financial Industry Activities and Affiliations

Item 10, ADV Part2A

MMF is affiliated through common control with Midwest Mezzanine III, LP, the general partner of Fund III, with Midwest Mezzanine Management IV, LLC, the general partner of an Fund IV, with Midwest Mezzanine Management V, LLC, the general partner of and affiliated fund, with Midwest Mezzanine Management V SBIC, LLC, the general partner of an affiliated fund, and with MMF Capital Management V LLC, an affiliated SEC registered investment adviser. There are no material conflicts of interest between or among these affiliated entities since each general partner and/or adviser is connected with one private investment fund only. Moreover, none of the above receives any benefit or compensation from any of the other affiliated entities.

MMF personnel, and in particular the Managers, may actively serve on the boards of certain Portfolio Companies in which the Funds invest. No Manager receives any compensation for such service.

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

Item 11, ADV Part2A

MMF has adopted a Code of Ethics and Personal Securities Trading Policy and Procedures (the “Code”), which sets forth the standards of conduct that are to be expected of MMF’s principals and employees and addresses conflicts that arise from personal trading. The Code covers a range of topics that includes: general ethical principles, gifts, protection of confidential information, personal securities trading and reporting, distribution of the Code, and supervisory procedures related to the same. A copy of the Code will be provided to any investor or prospective investor upon request to Paul G. Kreie, MMF’s Chief Compliance Officer, at (312) 291-7303.

Personal Securities Trading

Personal securities transactions by employees who manage the Funds are required to be conducted in manner that prioritizes the client’s interests in client eligible investments. Under the Code, principals and employees of MMF and its affiliates, may directly or indirectly own an interest in Private Investment Funds, generally, which may include the Funds, subject to the pre-approval process and reporting provisions of the Code. MMF’s Code only allows MMF personnel to invest in Portfolio Companies through the Private Investment Funds that are investing in Portfolio Companies. In addition, pre-approval of trades is required for any MMF employee who is purchasing an interest in an initial public offering or in a limited private offering.

The Code requires all of MMF’s personnel to report their personal securities trading transactions initially upon hiring or the registration of MMF, quarterly thereafter, and annually to the Chief Compliance Officer.

In addition to the Code, the Funds’ Investor Agreements may limit the extent to which persons affiliated with MMF and/or other investment vehicles managed by MMF and their affiliates, may invest in Portfolio Companies or other investments owned or being pursued by the Fund. With respect to the Funds, MMF, its employees and affiliates have committed to co-invest an amount equal to 2% of Fund IV’s aggregate commitments on a pro-rata basis, 1% of Pantheon IV’s aggregate commitments on a pro-rata basis, and 1%

of Fund III's aggregate commitments on a pro-rata basis.

Non-Public Information

MMF and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, MMF and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of MMF.

Accordingly, should MMF or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, MMF would be prohibited from communicating such information to clients, and MMF will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of MMF personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Brokerage Practices

Item 12, ADV Part 2A

MMF's investment strategy involves the purchase and sale of private companies. As such, the Funds' securities are typically purchased and sold through privately-negotiated transactions. Although MMF does not intend to regularly engage in public securities transactions, to the extent it does so, the following brokerage practices will be followed.

Brokerage Generally

If MMF buys or sells publicly traded securities for the Funds, it is responsible for directing orders for broker-dealers to effect securities transactions for accounts managed by MMF. In such event, MMF will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, MMF may consider a variety of factors, including: (1) prompt execution of orders; (ii) the reliability, integrity, financial condition and execution capability of the firm being considered for effecting transactions in light of the size and difficulty of the order; (iii) the price; and (iv) the capabilities of firm to supply research services.

MMF has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to a particular transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of charges of eligible brokers and to reduce the expenses incurred for effecting Fund transactions to the extent consistent with the interests of the respective Fund. Although MMF will generally seek competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions involving more routine services.

Soft Dollars

Currently, MMF does not effect any securities transactions in which the Funds are charged transactions costs or custodial fees. In the event, MMF does buy or sell securities in which

a commission is charged, MMF will seek to obtain the best execution of the brokerage commissions on the Funds' transactions. However, transactions may be directed to brokers in recognition of research furnished by them, although MMF generally does not make use of such services. As a general matter, any such research may be shared between MMF and its affiliates and may be used to service one or more of the Private Investment Funds regardless of which Private Investment Fund paid the brokerage commission being applied toward payment for such research services. There is no agreement or formula for the allocation of brokerage

Directed Brokerage

MMF's transactions are all privately negotiated and there is no transaction costs associated with such purchases. However, in the event, that MMF does buy or sell a public traded security, it will not allow for a Fund investor to direct its brokerage away from the custodian of the respective Fund.

Allocations of Opportunities

There is not an issue of allocating an investment opportunity to one Fund over another Fund because the Funds either (i) invest in different types of instruments or (ii) operate in sequence (e.g., Fund III finished its normal course investments in Portfolio Companies before Fund IV began investing in Portfolio Companies).

Brokerage for Client Referrals

Since MMF does not implement the purchases and sales of public companies, it does not direct brokerage for client referrals.

Review of Accounts

Item 13, ADV Part2A

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, MMF closely monitors the companies in which the Funds invest, and MMF's Chief Compliance Officer periodically checks to confirm that the Fund is maintained in accordance with its stated objectives as set forth in Investor Agreements. Individual investments within each of the Funds are regularly reviewed collectively by the Managers and other investment professionals, particularly in the event of a pending acquisition, significant change in the financial performance, or other noteworthy event. Additionally, the investments are reviewed in periodic meetings that are held with the Funds' respective advisory boards and select investors.

MMF provides the investors of Fund IV and Pantheon Fund IV audited financial statements, information concerning valuations and Federal and State K-1s on an annual basis. On a quarterly basis, MMF provides the investors unaudited financial statements and reports providing a narrative summary of the status of each active investment in Portfolio Company. BAC's single investor receives periodic accounting information and quarterly reports providing a narrative summary of the remaining investment. Fund III's investors receive periodic unaudited financial reports and a narrative summary regarding the status of the Fund's remaining investment.

Client Referrals and Other Compensation
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Item 14, ADV Part2A

MMF does not compensate any person for client referrals and receives no compensation from any source other than what has been described in Items 5 and 6 above.

Custody

Item 15, ADV Part 2A

MMF's clients' funds and securities are to be held at a "qualified custodian" as that term is defined at Rule 206(4)-2(a)(1). In addition, each Fund is audited annually or subject to a surprise verification audit, by an auditor which is registered with and under the supervision of the Public Company Accounting Oversight Board. Copies of these annual audited statements are sent to clients in the respective Funds by no later than 120 days after the Fund's fiscal year end. The results of the surprise verification audit are filed online through Form ADV-E.

Investment Discretion

Item 16, ADV Part2A

For its private fund investors, MMF has discretionary investment authority as provided by the respective Investor Agreement for each of the Funds. MMF assumes this discretionary authority pursuant to terms of the management agreements and other related agreements between the Funds, the General Partners and MMF. Please refer to the respective Fund's Investor Agreement and the related management services agreement, as applicable, for further details regarding investment authority assigned to MMF for each fund.

As a general policy, the Funds' investors are not allowed to place limitations on this authority. However, the managing members of the Pantheon Fund IV and BAC funds have the right to approve investments and certain modifications to existing investments for legal, tax, regulatory or other similar reasons.

Voting Client Securities

Item 17, ADV Part2A

MMF acknowledges and agrees that it has a fiduciary obligation to its clients, including the Funds, to ensure that any proxies for which it has voting authority are voted in the best interests of the Funds owned by its clients. The policies detailed below are intended to guide MMF and its personnel in ensuring that proxies are voted in such manner without limiting MMF or its personnel in specific situations to vote in a predetermined manner. These policies are designed to assist MMF in identifying and resolving any conflicts of interest it may have in voting client proxies. Clients may obtain a copy of MMF's proxy voting policies and procedures upon request to Paul Kreie, Chief Compliance Officer at (312) 291-7303.

Voting Principles, Policies and Procedures

In voting client proxies on behalf of the Funds MMF intends to :

1. vote client proxies in a manner that is consistent with what MMF believes to be the best interests of the Funds owned by its clients.
2. base its decision to vote a client proxy on information that is reasonably available to MMF.
3. base its determination of what is in the best interest of a Fund that is owned by its clients on the maximization of the long-term value of the Fund and its assets.
4. vote each and every proxy unless the responsible principal affirmatively determines to abstain from voting such proxy because such abstention is in the best interest of the Funds owned by its clients.
5. disregard its own interests in voting a proxy if MMF determines that there is an actual conflict of interest between the client and MMF, as adviser, with respect to a specific proxy issue.
6. maintain a client proxy file to retain records and any related research conducted by MMF relating to the proxies voted by MMF, which file will contain, at a minimum, the proxy materials distributed by the issuer of the security to which the proxy relates and a record of how MMF voted that proxy and copies of such research.
7. disclose how MMF voted any proxies to any client that requests such disclosure in writing.

Financial Information

Item 18, ADV Part 2A

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. MMF does not (i) require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and (ii) have any financial commitments or other conditions that would impair its ability to meet contractual commitments to clients. MMF has not been the subject of a bankruptcy proceeding. MMF does not have any financial information requiring disclosure in this brochure.