

INVESTMENT ADVISER BROCHURE
MILL POINT CAPITAL LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Mill Point Capital LLC (“Mill Point Capital”). If you have any questions about the contents of this Brochure, please contact us at (212) 416- 5815. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Mill Point Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Mill Point Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

Mill Point Capital LLC (“**Mill Point Capital**”) filed an Other-Than-Annual Amendment to Form ADV on October 12, 2018. Since the Firm’s recent Form ADV Part 2A filed on March 6, 2018, the following changes have been made in this Disclosure Brochure:

- Mill Point Capital terminated its shared services agreement with Millstein & Co and is no longer sharing space or resources with Millstein & Co.

There have been no other changes since the last update of this Disclosure Brochure on March 6, 2018.

ADVISORY BUSINESS

Mill Point Capital, a Delaware limited liability company and a registered investment adviser, provides investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Mill Point Capital was founded in 2017.

Mill Point Capital’s clients include the following (each, a “**Fund**,” and, together with any future private investment fund to which Mill Point Capital or its affiliates provide investment advisory services, the “**Funds**”):

- Mill Point Capital Partners, L.P.
- Mill Point Capital Partners A, L.P.
- Mill Point Affiliates Fund I, L.P. (the “Affiliates Fund”).

The following general partner entity is affiliated with Mill Point Capital:

- Mill Point Capital Partners GP, L.P. (the “**General Partner**” and, together with Mill Point Capital and its affiliated entities, “**Mill Point**”).

The General Partner is subject to the Advisers Act pursuant to Mill Point Capital’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with Mill Point Capital.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “**portfolio companies**.” Mill Point’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Mill Point or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested. In addition, Mill Point may in the future manage investment vehicles held by investors for purposes of investing in certain portfolio company investments made or held by the Funds (such vehicles are collectively hereinafter referred to as the “**Investment Vehicles**”). To the extent applicable, references herein to the Funds are deemed to include the Investment Vehicles. Mill Point also

may form special purpose vehicles and alternative investment vehicles not listed herein and manage certain investments held by Millstein & Co L.P. (“**Millstein & Co.**”) and/or certain of its related persons.

Mill Point’s advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a “**Memorandum**”), limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” In performing investment advisory services for the Funds, Mill Point Capital has been retained to provide advisory personnel and services. The advisory services of Mill Point Capital are described herein. Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partner may enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Partnership Agreement, Mill Point may, in its sole discretion, provide or agree to provide co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Mill Point’s personnel and/or certain other persons associated with Mill Point and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Mill Point’s sole discretion, Mill Point is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2017, Mill Point managed \$136,080,000 in client assets on a discretionary basis. Mill Point Capital is principally owned by Michael Duran.

FEES AND COMPENSATION

In general, Mill Point receives a management fee and a carried interest in connection with advisory services. Mill Point receives additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Mill Point. In addition, in certain circumstances Mill Point receives compensation for management and other services performed in connection with the co-investments made in portfolio companies of the Funds and/or in connection with Investment Vehicles. Investors in a Fund also bear certain expenses.

The General Partner is permitted to exempt certain investors in a Fund from payment of all or a portion of the Management Fee (as defined below) and/or carried interest. Any such exemption from fees

and/or carried interest may be made by a direct exemption, a rebate by the General Partner and/or its affiliates or through other Funds which co-invest with a Fund, such as the Affiliates Fund.

Management Fees

During the investment period, a Fund is expected to pay Mill Point an annual management fee (the “**Management Fee**”), payable quarterly in advance, equal to 2.0% of aggregate investor capital commitments (“**Commitments**”) held by partners not designated as “affiliated partners” by the General Partner (“**Unaffiliated Partners**”). Commencing with the first Management Fee due date after the expiration of the investment period, the Management Fee with respect to such Unaffiliated Partners is expected to equal 2% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written down; provided that investments in a portfolio company will be treated as having been disposed of or permanently written-down only to the extent that, as of the date of any such disposition or write-down, the aggregate fair market value of all remaining Fund investments in such portfolio company is less than the Fund’s aggregate investment contributions made with respect to such portfolio company. The Management Fee will be payable until all portfolio investments are distributed or until Mill Point’s relationship with a Fund is terminated for other reasons (as described in the relevant Partnership Agreement). Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a pro rata basis according to the actual number of days in such period.

In addition, following the first \$3 million of Management Fees received by Mill Point, the Management Fee will be subject to an offset based on the aggregate Commitments held by Unaffiliated Partners as follows: (a) if the aggregate Commitments are less than or equal to \$300 million, the Management Fee will be reduced by an amount equal to a Fund’s allocable share of 80% of Portfolio Company Fees attributable to Unaffiliated Partners; (b) if the aggregate Commitments are greater than \$300 million but less than \$400 million, the Management Fee will be reduced on a sliding scale, based on aggregate Commitments at the time of determination, by an amount equal to a Fund’s allocable share of between approximately 80.1% and 99.9% of Portfolio Company Fees attributable to Unaffiliated Partners; and (c) if the aggregate Commitments are equal to or greater than \$400 million, the Management Fee will be reduced by an amount equal to a Fund’s allocable share of 100% of Portfolio Company Fees attributable to Unaffiliated Partners. “**Portfolio Companies Fees**” include any: (i) directors’ fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partner; but not including, in any event, any amount received by the General Partner or other persons (x) from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company’s business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by various executives and/or professional that Mill Point contracts with (the “**Executive Partners**”) to a portfolio company or prospective portfolio company or (y) from or in connection with any of the investments acquired by the Funds from the General Partner, one or more of its affiliates and/or certain other persons, as described in the Funds’ Memorandum. To the extent that such an offset credit would reduce the Management Fee for a given three-month period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation a

payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence may result).

Mill Point may be paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors. Additionally, as further described below and in the Memorandum and/or the applicable Partnership Agreement, it is Mill Point's practice to retain certain Executive Partners to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Executive Partners generally receive compensation and other amounts described herein, but no such amounts will result in additional offsets to the Management Fee.

As permitted under the applicable Partnership Agreement, the General Partner may elect to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the applicable Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to a Fund. The limited partners of a Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration, or delay, of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Mill Point and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to Mill Point.

Carried Interest

The General Partner will receive a carried interest with respect to a Fund equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the relevant Partnership Agreement. The carried interest distributed to the General Partner is subject to a potential giveback at the end of life of a Fund if the General Partner has received excess cumulative distributions and at certain interim intervals as provided in the applicable Partnership Agreement.

It is expected that any future Funds will have a similar fee structure.

Other Information

The General Partner is permitted, in its sole discretion, to exempt certain "**affiliated partner**" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including the General Partner and any other person designated by the General Partner. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Mill Point or through other Funds which co-invest with a Fund. For example, in instances where a Mill Point professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, the General Partner has the right to permit investors, affiliated with Mill Point or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

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

Principals, investment committee members or other current or former employees of Mill Point generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Mill Point.

In addition to the Management Fee and carried interest payable to Mill Point, a Fund will pay or reimburse Mill Point, as set forth in the Memorandum and/or Partnership Agreement, for all other fees, costs, expenses, liabilities and obligations relating to a Fund and/or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, identifying, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, a Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may or would have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, a Fund, the General Partner or any "affiliated partner" on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the Executive Partners, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the applicable Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the advisory board established by the General Partner (the "**Advisory Board**")

(including any costs and expenses incurred by representatives of the General Partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the applicable Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the applicable Partnership Agreement), except as otherwise set forth in the applicable Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s); (xviii) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of a Fund; (xx) defaults by partners in the payment of any capital contributions; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, the General Partner and related entities and any alternative investment vehicle of a Fund, including the preparation, distribution and implementation thereof; (xxii) complying with any law or regulation related to the activities of a Fund (including regulatory expenses of the General Partner incurred in connection with the operation of a Fund and legal fees and expenses); (xxiii) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the applicable Partnership Agreement; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxv) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the applicable Partnership Agreement); (xxvi) distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxvii) unreimbursed expenses and unpaid fees of the Executive Partners or other persons engaged by the Executive Partners; (xxiii) compliance or regulatory matters related to a Fund, except as set forth in the applicable Partnership Agreement; (xxix) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxx) any organizational expenses; (xxxi) any placement fees; and (xxxii) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

As described above, in certain circumstances, Mill Point is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Mill Point's related policies and the relevant Partnership Agreement and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all fees and expenses, or other liabilities or obligations, incurred for transactions not consummated relating to such unconsummated transaction ("**Broken Deal Expenses**")

will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken Deal Expenses.

Executive Partners

Additionally, as further described herein and in the Memorandum and/or Partnership Agreement, it is Mill Point's strategy to retain certain Executive Partners to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Executive Partners generally provide services in relation to sourcing, due diligence, portfolio company management and other similar services, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. The Executive Partners receive compensation, including, but not limited to, fees, incentive equity or other stock awards, consulting and retainer fees or other compensation, which typically are determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Executive Partners, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. The Executive Partners also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset the Management Fee. The use of Executive Partners subjects Mill Point to conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," Mill Point expects to receive a carried interest allocation on certain realized profits in a Fund. Mill Point does not currently advise Funds not subject to a carried interest, although it generally has the authority to exempt certain affiliated partners from all or some portion of the carried interest as described under "Fees and Compensation."

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Mill Point generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Mill Point provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Company Act**"). The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Mill Point and members of their families, Executive Partners or other service providers retained by Mill Point.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have

limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

The Funds generally have a minimum investment amount of \$10,000,000 for third-party investors. The Affiliates Fund generally has a minimum investment amount of \$50,000. Such minimum investment amounts for each of the Funds may be waived by Mill Point in its sole discretion. In addition, the Affiliates Fund will generally be offered to employees of Mill Point, as well as certain other persons (including third parties) as Mill Point, in its sole discretion, deems appropriate.

In most circumstances, investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in a Fund. Generally, investors, other than investors in the Affiliates Fund, must be (i) “accredited investors,” as defined under Regulation D of the Securities Act of 1933, as amended (the “**Securities Act**”), and (ii) either “qualified purchasers” or “knowledgeable employees,” as defined under the Company Act. Mill Point may waive such qualification requirements in certain circumstances.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Mill Point is a private investment firm primarily focused on identifying companies that can be acquired outside traditional investment banking processes, yet are stable niche market leaders needing operational and strategic enhancements to meaningfully improve earnings before interest, tax, depreciation and amortization (“**EBITDA**”). Mill Point primarily focuses on control buyouts within the industrials/basic manufacturing and business services sectors where Mill Point believes it has an advantage and its Executive Partners have significant industry experience. Mill Point believes that the collective longstanding networks of its investment professionals and Executive Partners help generate proprietary deal flow regardless of the general market environment.

The Executive Partners enable Mill Point to pursue corporate carveouts and other complex transaction circumstances (*e.g.*, a business being sold without a chief executive officer or other senior management team members, recent mismanaged sale process or a recent operational turnaround). This strategy is designed to provide opportunities to acquire companies for what Mill Point believes are meaningful discounts to comparable companies by utilizing its networks of contacts and drawing on their deep industry experience.

There can be no assurance that Mill Point will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Sourcing. Mill Point’s sourcing strategy primarily focuses on identifying “off the run” opportunities through diligent and disciplined sourcing efforts across numerous channels while leveraging deep networks. Mill Point typically relies on four key sources for investment opportunities:

- (1) **Senior Team:** Mill Point principals (the “**Principals**”) have an extensive network of contacts built over decades of private equity experience. Through routine market checks, the Principals are often aware of potential investments before they ever come to market. Mill Point expects that this deal flow will increase over time.

- (2) Executive Partners: The Executive Partners typically maintain relationships with former colleagues, customers, suppliers and other connections that lead to many potential investments for Mill Point in its targeted sectors. Over time, the Executive Partners have adopted Mill Point's investment strategy and will personally vet many of these opportunities before they even reach Mill Point. As a result, Mill Point expects to see a number of high-quality opportunities that Mill Point believes are also high-probability targets with appropriate valuation expectations.
- (3) Co-Investors: Mill Point believes it has quality relationships with leading co-investors across the private equity landscape. As Mill Point's team has matured, these co-investors have come to understand the Mill Point strategy and identify opportunities that may be a strong fit for Mill Point's platform. These firms do not typically have a control equity mandate and therefore are generally comfortable to partner with Mill Point as minority equity investors.
- (4) Intermediaries: Mill Point has an extensive network of intermediaries, including advisors (legal, accounting, tax, insurance), current portfolio company management teams and financing sources.

Mill Point believes its focused investment strategy, coupled with its network of deal sources and origination resources, will result in access to proprietary and under-marketed opportunities.

Due Diligence Process. Diligence includes industry diligence, market intelligence gathering, review of material trends and comparables analysis. Mill Point's investment professionals typically will build a detailed, multi-scenario financial model based on company financials and incorporate conservative performance assumptions. Mill Point generally will also test the financing market for potential partners and discuss potential structures with financing sources. Prior to submission of initial indications of interest, Mill Point typically will have assigned an Executive Partner (if the deal was not already sourced by an Executive Partner) to the potential investment and compared initial diligence findings and potential strategic improvements. If, based on the above diligence findings, Mill Point believes that the investment still meets its investment criteria, then it will issue an initial indication of interest.

If the indication of interest is accepted, Mill Point proceeds with stage two of diligence. This usually involves a greater level of information sharing from the target and leads to follow up questions and analysis from Mill Point and the Executive Partner. Additionally, during this period Mill Point works with its financing sources to complete the underwriting process and secure financing commitments for the desired capital structure. If this diligence satisfies Mill Point's investment committee and it grants a first approval, Mill Point will issue a second indication of interest either confirming or revising its purchase price and key transaction terms.

If this detailed indication of interest is accepted, Mill Point will then generally require exclusivity and proceed to confirmatory diligence and third-party diligence as required by Mill Point. Confirmatory diligence typically includes customer and vendor calls and site visits (if they have not already occurred). Third-party diligence includes, to the extent applicable, accounting and tax diligence, legal diligence, insurance and benefits diligence, environmental diligence, background checks and other items. In addition, there may be other items as required by Mill Point's financing sources, such as inventory appraisals, field exams and other items. Immediately prior to signing definitive acquisition documentation, Mill Point holds a final investment committee meeting for final approval of the transaction.

Value Creation Plans. Mill Point’s investment strategy is designed to create value throughout the investment lifecycle of each of its portfolio companies. Mill Point believes it adds value to portfolio companies through its Executive Partner network and company-specific value creation plans (“VCPs”).

During the due diligence process, Mill Point works closely with Executive Partners to develop a formal VCP that seeks to enhance the value of the portfolio company through various initiatives, such as sales and EBITDA growth, end-market diversification, operational improvements, management team upgrades and deliberate positioning to increase the appeal to key strategic buyers. Each portfolio company is typically assigned at least one Executive Partner, typically as an executive chairperson of the portfolio company’s board. The Executive Partners collaborate with Mill Point to spearhead key operating initiatives. Examples of operating initiatives driven by Executive Partners could include new customer introductions, facility expansion, new product development and supply chain management.

During the first three to six months of ownership, Mill Point’s team and the Executive Partner generally spend a significant amount of time with the portfolio company management team. The result is a deeper understanding of business processes and expected execution timeline of key initiatives and any additional resources necessary to achieve them that cannot be achieved through diligence alone.

Exit Strategy. Mill Point anticipates holding investments for three to five years. It generally intends to initiate a sale process after it has successfully implemented its VCP, which was designed to enhance the value of the portfolio company through sales and EBITDA growth, end market diversification, operational improvements and management team enhancements, as applicable. Exits are expected to typically take the form of a sale to a strategic or financial buyer. Although Mill Point generally avoids working with investment bankers on the buy-side, it expects to use an investment banker to run a sell-side M&A process to maximize value when looking to exit an investment.

Risks of Investment

Each Fund and its investors bear the risk of loss that Mill Point’s investment strategy entails. The risks involved with Mill Point’s investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund’s investment portfolio may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance; Loss of Principal. The Funds consist of newly organized vehicles that have no prior operating history or track record. Accordingly, the Funds do not have performance history for a prospective investor to consider. In considering the prior performance information of the acquisition vehicles managed by Mill Point (collectively, the “**Mill Point Investments**”) other than the Funds, prospective investors should understand that an investment in a Fund does not represent an interest in any investment or investment portfolio of any other Mill Point Investment. Information about the prior performance of the other Mill Point Investments is not necessarily indicative of a Fund’s future results. An investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in a Fund will resemble that of the prior Mill Point Investments. An investor should only invest in a Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment in such Fund. The performance of the Principals prior investments is not necessarily indicative of a Fund’s future results. A Fund’s investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure and holding period. While the

General Partner intends for such Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments; Lack of Diversification. A Fund may invest a significant portion of its aggregate capital commitments in any single portfolio company (including its direct or indirect subsidiaries and guarantees or other credit support), and will likely participate in a limited number of overall investments. To the extent that the capital raised is less than the targeted amount, such Fund may invest in fewer portfolio companies and thus be less diversified. If a Fund co-invests with another private equity fund, a limited partner invested in such other fund may have exposure to a single portfolio company through more than one fund, potentially multiplying such limited partner's losses.

Given Mill Point's and the Principals' experience in certain core industries and the structural requirements of operating the Funds, a Fund may seek to make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which could create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, such Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry or the timing of the Fund's investments, may substantially affect such Fund's aggregate return. In addition to the foregoing, because a Fund may only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform unfavorably, then in order for such Fund to achieve above-average returns, one or a few of its investments must perform very well, and there can be no assurances that this will be the case.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, investing directly or through affiliates. Over the past several years, an ever-increasing number of private equity funds have been or are being formed, and many existing funds have grown in size. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partner, the Funds and their affiliates.

In a highly competitive environment, valuations of potential target companies may rise to historically high levels as measured by multiples of EBITDA. The General Partner expects that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio investments can be made.

To the extent that the Funds encounter a highly competitive market while making investments, the acquisition cost of such investments may increase, and returns to limited partners may decrease. In addition, it is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. Moreover, limited partners will be required to bear Management Fees through the Funds during the investment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the applicable Partnership Agreement.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for the Funds primarily through making private equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Funds intend to invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invest. By way of example, the healthcare and financial services industries have been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which the Funds may invest.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by such Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which a Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, a Fund generally will not be able to realize an investment in a privately held entity until the sale of such entity. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from such Fund's capital, including unfunded Commitments.

Leveraged Investments; Borrowing. A Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which may be impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to such Fund that may not be covered by distributions made to a Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to

the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time such Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect such Fund's ability to generate attractive investment returns for such Fund as a whole. Any failure by lenders to provide previously committed financing could also expose such Fund to potential claims by sellers of businesses which such Fund may have been contracted to purchase.

A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). Although use of such borrowing facilities enhances the ability to close transactions quickly, such activity also increases risk. Any use of leverage by a Fund will result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and, in connection with incurring such indebtedness, the General Partner may, in its sole discretion, cause such Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when such Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent a Fund incurs leverage or provides any guaranty, such amounts may be secured by the capital commitments of such Fund's investors and other Fund assets. The inability of a Fund to repay any leverage secured by the capital commitments of such Fund's investors could enable a lender to issue a capital call on behalf of the General Partner of the Fund.

No Market for Interests; Restrictions on Transfer; No Right of Withdrawal. Limited partner interests in a Fund may not generally be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the General Partner, which generally may be withheld in the General Partner's sole discretion, and the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the Code. Voluntary withdrawals from a Fund will not be permitted except in very limited circumstances. In addition, interests in a Fund are not redeemable. There will be no public market for interests in a Fund, and none is expected to develop. Interests in the Funds have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Funds will ever be effected. Limited partners may not be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in such Fund for an extended period of time.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of the Funds' investments will be difficult to value. Certain

investments may be distributed in kind to the partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the applicable Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Absence of Operating History. The Funds have no operating history and will be entirely dependent on the General Partner. While the Principals have previous experience making and managing investments similar to those contemplated by the Funds, only certain of the Principals have experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Principals. In addition, the Funds' investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

Non-U.S. Investments. A Fund may invest a portion of its aggregate Commitments in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories and possessions. Investments in non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments may be denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which such Fund invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less (or more) government supervision and regulation; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation; (vii) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (viii) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Funds and/or the partners; (x) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (xii) political hostility to investments by foreign or private equity investors; and (xiii) less publicly available information.

Non-U.S. Currency Risks. Although most of the Funds' investments are expected to be U.S. dollar denominated, the Funds' investments that are denominated in non-U.S. currencies are subject to the risk that the value of the particular currency in which such investment is denominated will change in relation to the U.S. dollar, the currency in which the books of the a Fund are kept and contributions and distributions generally will be made. Among the factors that may affect currency values are trade balances between nations, the level of short-term interest rates, differences in relative value of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Funds may incur costs in converting investment proceeds from one currency to

another. The General Partner may, but it is under no obligation to, employ hedging techniques to manage exposure, although there can be no assurance that such strategies will be effective.

Non-U.S. prospective investors should note that interests in the Funds are denominated in U.S. dollars. Prospective investors subscribing for interests in the Funds in any country in which U.S. dollars are not the local currency should note that changes in value of foreign exchange between the U.S. and such currency may have an adverse effect on the value, price or income of the investment to such prospective investors. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions. The fees, costs and expenses incurred by limited partners in converting their local currency to U.S. dollars (if applicable) in order to make capital contributions will be borne solely by such limited partners and will be in addition to the amounts required by such capital contributions (and are not part of such limited partners' Commitments).

Distressed Investments. The Funds may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

Non-controlling Investments. The Funds may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund hold a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had such Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of such Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to such Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods

for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

General Economic and Market Conditions. The private equity industry generally and the success of the Funds' investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' abilities to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of such Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

Uncertainty of Projections. The Funds may use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments or that such Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Investment in Junior Securities. The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investments once made.

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject such Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Material Non-Public Information. From time to time, Mill Point and its personnel or affiliates may come into possession of confidential or material, non-public information concerning specific companies, including as a result of certain Mill Point personnel serving on the boards of directors of portfolio companies. Under applicable securities laws, this may limit the General Partner's flexibility to buy or sell securities issued by such companies. A Fund's investment flexibility may be constrained as a consequence of the General Partner's inability to use such information for investment purposes, and such Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Mill Point's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Each of Mill Point, the particular Fund and the General Partner anticipates that, to avoid such restriction, it may elect not to receive such non-public information. As a result, a Fund, at times, may receive less information regarding such portfolio company than is available to the other investors in such portfolio company, which may result in such Fund taking actions or refusing to take actions in a manner different than had it received such non-public information.

Hedging Arrangements. The General Partner may (but is not obligated to) endeavor to manage the Funds' or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Funds intend to manage their investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of such Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding ERISA control group liability as in effect as of the date of hereof, which may change in the future as the case law and guidance develops.

Co-Investments. The General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the particular Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, the General Partner may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of such Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Unspecified Investments. Limited partners will be relying on the ability of the General Partner to locate and evaluate the investments to be made by each of the Funds using the committed capital from this offering. The activity of identifying, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the General Partner will be able to locate or a Fund will be able to complete portfolio investments that satisfy such Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that such Fund will be able fully to invest its committed capital.

Risks in Effecting Operating Improvements. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of such Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements may

divert the attention of key personnel and disrupt normal business. There can be no assurance that a Fund will be able to successfully identify and implement such improvements.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Cyber Security Breaches and Identity Theft. A Fund and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquake. Although the General Partner intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, such Fund and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partner's, such Fund's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the General Partner's, such Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

Conflicts of Interest

Mill Point and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. Mill Point will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the applicable Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Mill Point's conducting its activities, the interests of a Fund may conflict with the interests of Mill Point, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Mill Point will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by the Principals through such Fund, subject to certain limited exceptions. Without limitation, the Principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. The Principals and Mill Point's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, the

Principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Mill Point will be presented with investment opportunities that would be suitable not only for a Fund, but also for other funds that Mill Point may form in the future and other investment vehicles operated by advisory affiliates of Mill Point. In determining which investment vehicles should participate in such investment opportunities, Mill Point and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Mill Point in a portfolio company may also raise the risk of using assets of a client of Mill Point to support positions taken by other clients of Mill Point.

Mill Point will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the applicable Partnership Agreement, Side Letters and Mill Point's procedures regarding allocation. Mill Point's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Mill Point's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Mill Point's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; and whether Mill Point believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or Mill Point. Mill Point may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by Mill Point or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Fund investors. When and to the extent that employees and related persons of Mill Point and its affiliates make capital investments in or alongside certain Funds, Mill Point and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Mill Point's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Mill Point will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is

made, will be as favorable as they would be if the conflicts of interest to which Mill Point may be subject, discussed herein, did not exist.

In certain cases, Mill Point will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Mill Point will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Mill Point and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the applicable Partnership Agreement, Mill Point will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Mill Point may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Mill Point or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Mill Point and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Mill Point personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Mill Point and/or its affiliates. Unless such amounts are subject to the applicable Partnership Agreement's offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Mill Point.

Additionally, a portfolio company typically will reimburse Mill Point or service providers retained at Mill Point's discretion for expenses (including, without limitation, travel expenses) incurred by Mill Point or such service providers in connection with its performance of services for such portfolio company. This subjects Mill Point and its affiliates to conflicts of interest because the Funds generally do not have

an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Mill Point determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Mill Point or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Mill Point generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) Mill Point or a related person of Mill Point (which may include a portfolio company of such Fund), (ii) an entity with which Mill Point or its affiliates or current or former members of their personnel has a relationship or from which Mill Point or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, Mill Point may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects Mill Point to conflicts of interest, because although Mill Point selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Mill Point may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Mill Point, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Mill Point), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Mill Point has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, from time to time Mill Point may cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Mill Point, or co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Partnership Agreement or otherwise in the sole discretion of Mill Point, Mill Point may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, Mill Point may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Mill Point intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Mill Point and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Mill Point and/or its affiliates; conversely, former personnel or executives of Mill Point and/or its affiliates

may serve in significant management roles at portfolio companies or service providers recommended by Mill Point. Similarly, Mill Point, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Mill Point and/or its affiliates, and/or the Funds or other investment vehicles they advise. Mill Point may have a conflict of interest with a Fund in recommending the retention or continuation of a third- party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Mill Point information about markets and industries in which Mill Point operates (or is contemplating operations) or will provide other services that are beneficial to Mill Point. Mill Point may have a conflict of interest in making such recommendations, in that Mill Point has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

In certain circumstances, current or former Mill Point personnel may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at Mill Point. Under such arrangements, Mill Point and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships will not result in additional offsets to the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to Mill Point at the end of such secondee arrangement.

Michael Duran, prior to founding Mill Point, led the private equity investment team at Millstein & Co., a financial advisory services firm specializing in developing and implementing solutions for complex corporate and public finance issues and providing financial advisory and investment banking services. Millstein & Co. will have economic and ownership rights in certain Mill Point entities, but does not have authority over the day-to-day operations or investment decisions of Mill Point as they relate to the Funds. Mill Point will continue to provide investment management services to Millstein & Co. for investments in which Millstein & Co. has an equity ownership interest. Accordingly, there may be occasions when Millstein & Co., Mill Point and their respective affiliates will encounter potential conflicts of interest in connection with a Fund's activities and activities conducted for Millstein & Co.

Mill Point, its equity holders, officers, principals and employees may buy or sell securities or other instruments that Mill Point has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Mill Point have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Mill Point, are reimbursed by a Fund and/or its portfolio companies, Mill Point will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to Executive Partners and other consultants (including consultants introduced or arranged by Mill Point and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. The Executive Partners generally make use of Mill Point's resources or otherwise are associated with Mill Point. The Executive Partners generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Fund, as described herein. Although the use of Executive Partners and the allocation of compensation paid to them by Mill Point, its affiliates and/or the portfolio companies subjects Mill Point and/or its affiliates to potential conflicts of interest, Mill Point believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Executive Partner is lower than market rates for the services provided and/or if the services of the Executive Partner align with Mill Point's model for the portfolio company and improve portfolio company performance. Although Mill Point seeks to retain Executive Partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Mill Point also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Mill Point believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Executive Partners and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Mill Point may not otherwise have done so.

Mill Point and/or its affiliates may enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures, information rights, co-investment rights and liquidity or transfer rights.

Any of these situations subjects Mill Point and/or its affiliates to potential conflicts of interest. Mill Point attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Mill Point's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Mill Point will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Mill Point consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

Mill Point and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mill Point Capital is affiliated with the General Partner, a general partner entity subject to the Advisers Act pursuant to Mill Point Capital's registration in accordance with SEC guidance. This affiliated general partner entity operates as a single advisory business together with Mill Point Capital and serve as managers or general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Mill Point has adopted a Code of Ethics and Personal Investment Policy (the “Code”), which sets forth standards of conduct that are expected of Mill Point's principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Mill Point personnel to report their personal securities transactions, requires pre-clearance for Mill Point personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Mill Point personnel from directly or indirectly acquiring beneficial ownership of or disposing of securities with limited exceptions, without first obtaining approval from the Mill Point Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Timothy Chizak, the Mill Point Chief Compliance Officer, at (212) 416- 5815.

Mill Point and its affiliated persons may come into possession, from time to time, of material non-public 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, Mill Point 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 Mill Point.

Accordingly, should Mill Point or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Mill Point generally would be prohibited from communicating such information to clients, and Mill Point 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 Mill Point personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of Mill Point and its affiliates may directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of Mill Point, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

Mill Point and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative

documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds.

BROKERAGE PRACTICES

Mill Point focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Mill Point may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Mill Point does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Mill Point sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Mill Point. In such event, Mill Point will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Mill Point may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Mill Point has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client 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 the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Mill Point generally seeks 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 requiring more routine services.

Consistent with Mill Point seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Mill Point generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of Mill Point’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Mill Point, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Mill Point and its affiliates.

To the extent that Mill Point allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds’ interest in receiving most favorable execution.

Mill Point does not anticipate engaging in significant public securities transactions; however, to the extent that Mill Point engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Mill Point may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Mill Point may, but is not obligated to,

purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Mill Point is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In Mill Point’s private company securities transactions on behalf of the Funds, Mill Point may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Mill Point may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Mill Point generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

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, Mill Point monitors companies in which the Funds invest, and the Mill Point Chief Compliance Officer performs periodic checks, no less than quarterly, to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each limited partner’s U.S tax returns and (iv) descriptive investment information for each portfolio company periodically.

CLIENT REFERRALS AND OTHER COMPENSATION

Mill Point and/or its affiliates may provide certain business or consulting services to companies in a Fund’s portfolio and may receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* “Fees and Compensation.”

Acalyx Advisors, Inc. (“**Acalyx**”) has been engaged by Mill Point as a placement agent with respect to the private placement of interests in each Fund, other than the Affiliates Fund. For these services,

Mill Point has agreed to pay Acalyx a market-based fee that is comprised of a retainer and a success fee that is calculated based on a certain percentage of the capital that is raised.

From time to time, Mill Point may enter into additional solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents, including Acalyx, will be borne by Mill Point indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

CUSTODY

Mill Point maintains custody of assets held in the name of one or more Funds with the following qualified custodians: First Republic Bank, 111 Pine Street, San Francisco, CA 94111.

INVESTMENT DISCRETION

Mill Point has discretionary authority to manage investments on behalf of each Fund. As a general policy, Mill Point does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable Partnership Agreement, however, Mill Point and/or its affiliates may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Mill Point assumes this discretionary authority pursuant to the terms of the applicable Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Mill Point has adopted the Mill Point Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that Mill Point votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Mill Point generally believes its interests are aligned with those of each Fund's investors, for example, through the Principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Mill Point may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board may approve Mill Point's vote in a particular solicitation. Mill Point does not consider service on portfolio company boards by Mill Point personnel or Mill Point's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Mill Point when voting proxies on behalf of a Fund. If you would like a copy of Mill Point's complete Proxy Policy or information regarding how Mill Point voted proxies for particular portfolio companies, please contact Timothy Chizak, the Mill Point Chief Compliance Officer, at (212) 416-5815, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Mill Point does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.