

**FORM ADV PART 2A: FIRM BROCHURE**

**MFG Partners LLC**

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**October 4, 2024**

This brochure (this “Brochure”) provides information about the qualifications and business practices of MFG Partners LLC. If you have any questions about the contents of this Brochure, please contact MFG Partners LLC by e-mail at [info@mfgpartners.com](mailto:info@mfgpartners.com). 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 securities authority.

Registration as an investment adviser does not imply that MFG Partners LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about MFG Partners LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

The Firm filed its initial Form ADV on May 7, 2024, in accordance with Rule 203A-2(c), which allows investment advisers to register if they expect to be eligible for SEC registration within 120 days. The Firm is amending its Form ADV to reflect the end of the 120-day period. This Brochure has been updated to disclose the current and ongoing operations, controls and conflicts of the Firm.

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**Item 4. Advisory Business**

MFG Partners LLC (the “Firm”) is a Delaware limited liability company that was formed in April 2016. The Firm is principally owned and controlled by Jeff Mizrahi and Jonathan Schilowitz (the “Partners”).

The Firm provides discretionary investment advice to one or more private funds (collectively, the “Funds”). References throughout this document to the “Fund” may refer to a particular Fund or multiple Funds. References throughout this document to “clients” refer to the Funds that the Firm may advise in the future.

Client accounts will be managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements (collectively, the “Governing Documents”). The Firm does not expect that it will permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents. Under certain circumstances, the Firm may contract with an investor to adhere to limited risk and/or operating guidelines imposed by that investor. The Firm would negotiate such arrangements on a case-by-case basis. (*See Item 16 - Investment Discretion.*)

One of the Firm’s related persons (the “MFG GP” or “General Partner”) will serve as the general partner or managing member to certain Funds.

The Firm does not participate in wrap fee programs.

As of June 30, 2024, the Investment Manager’s total regulatory assets under management were \$412,766,634, all of which are managed on a discretionary basis.

**Item 5. Fees and Compensation**

The Firm receives a management fee from certain of the Funds that is generally based on either a percentage of each limited partner’s committed capital or invested capital, as described in each relevant Fund’s Governing Documents. The percentage is equal to approximately 2%. The management fee is paid quarterly in advance. Once paid, the management fees are non-refundable. With respect to certain of the Funds, in lieu of a management fee, the Firm receives a monitoring fee from the relevant portfolio company equal to approximately 3% to 7% of such portfolio company’s EBITDA, unless otherwise agreed upon. The specific amount, manner, and calculation of the management fee for each Fund is outlined in each Fund’s Governing Documents.

With respect to certain Funds, pursuant to their Governing Documents, management fees are offset by a percentage of any transactions fees earned by the Firm. In addition, certain of the Funds’ portfolio companies also pay fees to the Firm or an affiliate of the Firm when permitted under the Funds’ Governing Documents.

Please see each Fund’s Governing Documents for greater detail regarding management fees.

The Firm also expects that the MFG GP will be entitled to receive carried interest from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

The Funds shall pay or reimburse the General Partner and its affiliates for a Fund’s pro rata share of all organizational expenses, including all expenses (including travel (including, where appropriate as

determined by the General Partner, the cost of using or chartering private aircraft or other private air travel at a cost not to exceed the cost of corresponding first-class commercial airfare, other air travel, rail, car or ride sharing services and other modes of transportation, lodging, meals and entertainment)), other meals and entertainment, printing, mailing, courier, legal, capital raising, accounting, consulting (including fees and expenses of consultants retained to assist with investor diligence, operational diligence and other investor requests), regulatory compliance (including expenses associated with the initial and/or preliminary notifications, registrations, filings and compliance obligations and other offering requirements contemplated by any non-U.S. regulatory regime, the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction, or any other similar law, rule or regulation, and any administrative or other filings and other organizational expenses, engagement of a Swiss representative and/or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation related to the implementation thereof), and any depositary appointed by the General Partner (or an Affiliate thereof), and any administrative or other filings incurred in connection with the structuring, organization, negotiating, funding and start-up of a Fund, a General Partner, a parallel fund, a parallel fund's General Partner, a general partner of the General Partner and any affiliated management company (the "Fundraise"), including the preparation of, and negotiations with respect to, the PPM and any supplements or amendments thereto, investor presentations and other marketing materials, the Funds' Governing Documents, subscription agreements, any side letters or similar agreements, agreements with placement agents and any other agreements into which any of the foregoing parties enter in connection with the Fundraise and out-of-pocket costs and expenses incurred by placement agents, finders or other parties performing similar services in connection with the Fundraise, but not including any (x) costs or expenses incurred in connection with compliance with any "most-favored-nations" election process or (y) placement fees.

With respect to certain Funds, the Fund's pro rata share of organizational expenses in excess of specified caps shall reduce the management fee as set forth in the Governing Documents.

The Fund shall pay all partnership expenses or reimburse any party advancing payment of such expenses. Partnership expenses include, but are not limited to, all fees, costs, expenses, liabilities and obligations relating to the Funds' activities, business, portfolio companies or actual or potential investments, including with respect to any Person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company, and whether or not incurred by the General Partner, the Firm or any of their respective affiliates), including all fees, costs, expenses, liabilities and obligations relating or attributable to the activities outlined in each of the Funds' Governing Documents.

In addition, the Firm, an affiliate thereof, a Fund or a General Partner may charge a portfolio company and/or a potential portfolio company for any expenses to the extent such expenses are attributable to such portfolio company and/or potential portfolio company or the Fund's investment or prospective investment therein or liquidation thereof. The Firm, an affiliate thereof, a Fund or a General Partner is also authorized to engage placement agents and incur placement fees.

Please see each Fund's Governing Documents for greater detail regarding expenses.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

The Firm expects that the MFG GP will be entitled to receive carried interest from the Funds. Carried interest is a performance-based form of compensation in which the MFG GP is entitled to receive a specific

share of the profits earned by a Fund after its investors have realized a certain preferred rate of return on their investments in such Fund. The Firm or its affiliates will have the right to waive or modify the carried interest with respect to any investor.

Performance-based compensation arrangements create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Performance-based compensation arrangements could also create an incentive for the Firm to favor funds with higher performance-based compensation rates over other funds when allocating investments. The Firm will adopt procedures designed and implemented to seek to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among client accounts.

#### **Item 7. Types of Clients**

Investors in the Funds are generally expected to be high net worth individuals and institutional investors that qualify as “accredited investors” or “qualified purchasers” (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers (within the meaning of the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder). The minimum initial investment in the Firm’s first flagship fund will be \$5 million. The Firm may waive such minimum under certain circumstances.

#### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

##### *Methods of Analysis and Investment Strategies Generally*

The investment objective of the Funds will be to seek to make control investments in industrial businesses in the lower-middle market. The Funds seek to make investments in companies headquartered in North America. Specific sectors that the Funds seek to target are manufacturing, value-added distribution, and industrial services companies.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

##### *Risk Factors*

An investment in a Fund involves significant risks and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. Fund returns will be unpredictable and, accordingly, a Fund investment program is not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in a Fund as part of a broader overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the limited partner interests in a Fund. As a result of these factors, as well as other risks inherent in any investment or set forth elsewhere in this Brochure, there can be no assurance that a Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The following list is not a complete list of all risks and other considerations involved in connection with an investment in a Fund. Prospective investors should make their own inquiries and investigation of the investment described herein, including the merits and risks involved and the legality and tax consequences of such an investment, and consult their own advisors as to a Fund, the offering of limited partner interests described herein and the legal, tax, business and related matters concerning an investment in a Fund.

*Investment in Private Companies*

The Fund's investment portfolio is expected to consist primarily of securities and/or interests issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments are illiquid and involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war, revolutions and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such loss.

*Future and Past Performance*

The Fund may consist of newly organized entities that have no prior operating history or track record and will be dependent on the General Partner. Accordingly, such a Fund does not have performance history for a prospective investor to consider. In considering the prior experience of the General Partner's principals (the "Principals") and the The Firm personnel (collectively, the "Team"), prospective investors should understand that an investment in the Fund does not represent an interest in any investment or investment portfolio associated with the Team's prior experience. Information about the prior experience of the Team is not necessarily indicative or a guarantee of the Fund's future results. Similarly, there can be no assurance that any historical trends will continue. There can be no assurance that the Fund's investments will achieve results similar to those attained by prior investments of the Team, and the Fund's investments may differ from the Team's prior investments 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. Thus, the Team's prior investments are not necessarily indicative of the Fund's future results. While the General Partner intends for the 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.

*Investment in Junior Securities*

The Fund may be permitted to invest in securities which are 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 Fund's investment once made.

*Concentration of Investments; Lack of Diversification*

The Fund will participate in a limited number of overall investments. The Fund reserves the right to make several investments in one industry, one industry segment or within a short period of time. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. To the extent that the capital raised is less than the targeted amount, the Fund likely will invest in fewer portfolio companies and thus will be less diversified. If the Fund co-invests with another private equity fund, a Limited Partner invested in such other fund has the potential to have exposure to a single portfolio company through more than one fund, potentially multiplying such Limited Partner's losses. Further, given the Principals' experience in certain core industries and the structural requirements of operating the Fund, the Fund

could potentially 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, the 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 the Fund's aggregate return. In addition to the foregoing, because the Fund will 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 the Fund to achieve attractive returns, one or a few of its investments must perform very well, and there can be no assurances that this will be the case. The Fund is also permitted to provide "bridge financing" to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Partnership Agreement, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations set forth in the Partnership Agreement, certain of which exclude bridge financing investments.

#### *Unspecified Investments*

Limited Partners will be relying on the ability of the General Partner to locate and evaluate the investments to be made by the Fund using the proceeds of this offering. The activity of identifying, structuring, 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 identify, or the Fund will be able to complete, portfolio company investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values.

#### *Lack of Sufficient Investment Opportunities*

The business of identifying, structuring and completing private equity investments is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified and consummated. However, regardless of the extent to which the Commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the Limited Partners' Commitments as well as other expenses as set forth in the Partnership Agreement.

#### *Dynamic Investment Strategy*

The Fund is not restricted in terms of the percentage of its capital that can be invested in a particular industry. Many factors have the potential to contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation applicable to particular industries and changes in the political or social situations in particular countries. As a result, the General Partner reserves the right to pursue additional investment strategies and modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner reserves the right to pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience. Control Investments. The Fund, either alone or together with co-investors, is expected to hold controlling interests



in some of the portfolio companies in which it invests. The exercise of such control by the Fund may result in additional risks of liability for violations of governmental regulations (including securities laws), failure to supervise management or other types of liability in which the general limited liability characteristics of business ownership may be ignored. If these liabilities were to arise, the Fund might suffer significant and material losses. Even when the Fund prevails in such a claim for liability, it may incur significant costs of defending against those claims. If the Fund co-invests with another investment fund (including an another MFG Vehicle), an investor invested in such other investment fund may have exposure to a single portfolio company through more than one fund, potentially multiplying such investor's losses.

#### *Active Management*

The Fund expects to take majority positions in portfolio companies from time to time, which may be alongside other investors, such as institutions, other pooled investment vehicles and management. Depending upon the amount of equity owned by the Fund, any relevant contractual arrangements between such portfolio company and the Fund, and other relevant factual circumstances, such majority position could result in an extension of the ninety-day bankruptcy preference prior to one year or longer with respect to payments made to the Fund. In addition, because of its equity ownership, representation on the board of directors, and/or contractual rights, the Fund may often be thought to control, participate in the management of or influence the conduct of such portfolio companies. This could expose the assets of the Fund to claims by such portfolio company, its employees, its other security holders, its creditors, its customers or governmental agencies.

#### *Impact of Government Regulation, Reimbursement and Reform*

Certain industry segments in which the Fund could 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. While the Fund intends 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 could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests. Additionally, the U.S. Securities and Exchange Commission (the "SEC") has proposed and enacted significant rules that will impact the business of MFG and the Fund. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact MFG and its affiliates, the Fund and/or its investments. In addition, the Fund is expected to bear increased and significant costs as a result of such enacted and proposed rules, including costs related to Limited Partner reporting and disclosures to investors. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Fund. In addition, following the applicable compliance date, such regulations will require the General Partner to disclose to prospective investors and/or Limited Partners certain preferential investment terms that the General Partner provides to any Limited Partner in connection with its investment in the Fund, which could cause the General Partner to deny certain preferential terms to Limited Partners. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors and Limited Partners will not be afforded some or all of the protections provided by such rules.

*Illiquidity; Lack of Current Distributions*

An investment in the 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. The 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 the 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 the 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, the Fund generally will not be able to return capital or realize gains, if any, on an investment in a privatelyheld entity until the partial or complete disposition of such entity. While an investment may be disposed of 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 the Fund (including the Management Fee payable to the The Firm (or its designated affiliate)) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

*Leveraged Investments; Borrowing*

The Fund is generally permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for higher returns and its risk of loss from a particular investment, and the magnification of the risk of loss has the potential to 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. As a result, at times it may be difficult for portfolio companies to obtain or maintain the desired degree of leverage. The availability of leverage is also subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System (the "Federal Reserve"), the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt. The use of leverage by a portfolio company also imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and can, in certain circumstances, constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of a portfolio company will increase the exposure of the Fund's investments to any deterioration in a portfolio company's condition or its industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate or magnify any decline in the value of the Fund's investment in a leveraged portfolio company in a market downturn. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in such portfolio company, which could adversely affect the Fund's returns. Additionally, in such a situation, lenders would typically have a claim that has priority over any claim by the 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 the Fund determines that it is desirable to sell all or a portion of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts for such portfolio company. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal level of financial leverage, the Fund is permitted to hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from such portfolio company, which would likely adversely affect the Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose the Fund to potential claims by sellers of prospective portfolio companies that the Fund may have contracted to purchase.

Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the Partnership Agreement, the Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company. The Fund is also permitted to borrow money pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate Commitments available to be called or that is secured by one or more of the Fund's direct or indirect interests in portfolio companies and related rights, including rights to receive distributions therefrom and the deposit accounts into which such distributions are deposited, but which is not primarily secured by unfunded Commitments, or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations the Fund may not be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Fund generally also will result in fees, interest expense and other costs to the Fund that may exceed, or otherwise not be covered by, distributions made to the Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitation, including with respect to the amount of time such leverage may remain outstanding. The Fund generally is permitted to incur leverage on a joint, several or cross-collateralized basis with one or more other investment funds and/or other entities managed by or otherwise affiliated with the General Partner or any of its affiliates (including Other MFG Vehicles), including through Fund subsidiaries and other intermediate entities, and, in connection with incurring such indebtedness, the General Partner reserves the right, in its sole discretion, to cause the Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain coinvestors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements.

However, it is possible that, if and when the 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 certain situations, more than one investment held by the Fund with the use of leverage may be held with the same bank, custodian or dealer. In such instances, these multiple leveraged investments may be linked and used to "cross-collateralize" the borrowings of the Fund. In the event that such investments are "cross-collateralized," the Fund could experience concurrent liquidation on multiple investments to satisfy its borrowing obligations, and an adverse event or condition at or with respect to one portfolio company could negatively affect and/or cause a loss of a different investment that would not otherwise be subject to such adverse event or condition. To the extent the entities or parties entering into a joint or cross-collateralized borrowing arrangement are portfolio companies or entities holding investments (and not the Fund itself even if the Fund provides credit support such as a guarantee), such borrowings will not be subject to the limits on borrowings by the Fund that are set forth in the Partnership Agreement. In

addition, to the extent the Fund incurs leverage or provides any guaranty, such amounts are permitted to be secured by the Commitments of the Fund's investors and other Fund assets. The inability of the Fund to repay any leverage secured by the Commitments of the Fund's investors could enable a lender to issue a capital call directly to such investors which would require such investors' contributions to be made directly to the applicable lenders instead of the Fund. Borrowing activity by the Fund could also generate UBTI to certain tax-exempt Partners. Fund level borrowing also subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors. With respect to any asset-backed facility entered into by the Fund (or an affiliate thereof), a decrease in the market value of the Fund's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which the Fund must either repay the borrowed funds to the lender, which could, subject to any limitations set forth in the Partnership Agreement, require investors to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of the Fund's investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the Fund and could, if the value of its investments had declined significantly, cause the Fund to lose all or a substantial amount of its capital.

Moreover, if additional capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other investments and could adversely affect the diversification of the Fund's portfolio. In the event of a sudden, precipitous drop in the value of the Fund's assets, the Fund might not be able to dispose of assets quickly enough to pay off its debt resulting in a foreclosure or other total loss of some or all of the pledged assets. Related risks are sensitive to the nature of a Fund's underlying portfolio investments, concentration, expected volatility and other factors. For example, because the Fund's portfolio investments could include publicly traded securities, the value of such investments can be more volatile in times of market disruptions or other unpredictable events, which has the effect of potentially magnifying these risks. In addition, Fund-level borrowing will result in additional Fund expenses that will be borne by the Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or termination of the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. Conflicts of interest have the potential to arise in that the use of such facilities would delay the need for Limited Partners to make certain contributions to the Fund, or result in short-term gains to the Fund, which generally would increase the Fund's internal rate of return calculations and thereby benefit the marketing efforts of the General Partner and its affiliates and increase the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. Drawing down on a subscription line allows the General Partner to fund investments and pay Fund expenses without calling capital, potentially for extended periods of time. To the extent provided in the Partnership Agreement, any such borrowing is permitted to remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of the Fund. To the extent a particular Limited Partner's cost of

capital is lower than the Fund's cost of borrowing, Fund-level borrowing would negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more coinvesting funds). To the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities. A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of the Fund and the Limited Partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the General Partner's ability to consent to the direct or indirect transfer of a Limited Partner's interest in the Fund or impose concentration or other limits on the Fund's investments and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. To secure a subscription line, the General Partner is often required to request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and reserves the right to agree to terms that are not the most favorable to one or more Limited Partners. Calling a large amount of capital at once to repay any then current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The Fund is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the General Partner and its affiliates for expenses incurred on behalf of the Fund. The Fund will also utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses. If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would generally be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to the Limited Partners. Accordingly, borrowings by the Fund or portfolio companies might support the distribution of proceeds to Limited Partners and increase the potential carried interest for the General Partner; however, the interest incurred due to such borrowing would reduce the carried interest received by the General Partner. Subject to the limitations in the Partnership Agreement, if any, this conflict of interest incentivizes the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

*No Market for Interests; Restrictions on Transfer; No Right of Withdrawal*

Limited Partner interests in the Fund are not permitted to be, directly or indirectly, transferred, sold, assigned, pledged, encumbered, mortgaged, granted a security interest in or otherwise disposed of

without the prior written consent of the General Partner, which is permitted to be withheld pursuant to the Partnership Agreement, and the General Partner reserves the right to restrict the volume of transfers permitted in any calendar year in order to comply with certain safe harbors under the tax regulations promulgated under the Code. Voluntary withdrawals from the Fund will not be permitted except in very limited circumstances generally involving situations where retaining an interest in the Fund would violate certain laws or regulations or otherwise have a detrimental effect on the Fund. One of the prerequisites of the General Partner's consent to a transfer may be an opinion of the Fund's counsel that such a transfer would not subject the Fund or the General Partner to any regulatory or tax requirements or result in the violations or detrimental effect above mentioned. The transferor and transferee may be required to bear the cost of such legal opinion, as well as any transfer fee imposed by the Fund's administrator. In addition, interests in the Fund are not redeemable. There will be no public market for interests in the Fund, and none is expected to develop. Interests in the Fund have not been registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be re-sold unless they are subsequently registered under the Securities Act and any other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Fund will ever be effected. Limited Partners generally will not be able to liquidate their investments prior to the end of the Fund's term and must be prepared to bear the risks of an investment in the 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 Fund's 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 Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

#### *Investments Longer than Term*

The Fund is permitted to make investments that may not be advantageously disposed of prior to the date the Fund is dissolved, either by expiration of the Fund's term or otherwise, and the Fund's term may be extended to facilitate the dissolution of the Fund. Although the General Partner generally expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the General Partner has a limited ability to extend the term of the Fund, and the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. There can be no assurances with respect to the timeframe in which the winding-up and the final distribution of proceeds to the Limited Partners will occur.

#### *Distributions In-Kind*

Although under normal circumstances, prior to the termination of the Fund, the Fund generally intends to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the dissolution of the Fund), the Fund will make in-kind distributions of investments for which there is no readily available market and/or which may be subject to substantial restrictions on sale or transfer. Any such investments will also be difficult to value, and it may be difficult for Limited Partners to liquidate the investments received at a price or within a time period that is determined to be ideal by such Limited Partners. Significant administrative burden may be involved. After a distribution of investments is



made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the value of such investments. Limited Partners in receipt of a distributed investment will have no guidance from the Fund or the General Partner with respect to the disposition of such investment (including timing of such disposition). The price at which such investments may be sold by such Limited Partners may be lower than the value of such investments determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest accruing to the General Partner with respect to such investment. Directly holding certain investments can subject the holder to suit or taxes in jurisdictions in which such investments are located.

#### *Reliance on the General Partner and Portfolio Company Management*

Control over the operation of the Fund, including decisions with respect to structuring, negotiating and purchasing, financing and eventually divesting Fund investments will be vested with the General Partner. Consequently, the Fund's future profitability and investment performance depends largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, subject to the provisions in the Partnership Agreement, the Principals currently, and are expected in the future to, manage or advise other investments, investment products and/or investment funds other than the Fund (including Other MFG Vehicles), and the Principals expect that they will need to devote substantial amounts of their time and attention to the investment activities of such other investments, investment products and/or funds, which is expected to pose potential conflicts of interest in the allocation of the time of the Principals. Limited Partners generally have no right or power to take part in the management of the Fund. In addition, certain changes in the General Partner or circumstances relating to the General Partner or the Principals may have an adverse effect on the Fund or one or more of its portfolio companies (including acceleration of potential debt facilities). The composition of the professionals making up particular investment teams may change over time, and certain of the professionals included in such teams may leave such team or MFG during the life of the Fund. Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives. It is generally expected that portfolio companies will need to attract, retain and develop executives and members of their management teams. The General Partner expects that the market for executive talent is likely to be extremely competitive. There can be no assurance that the management team of a portfolio company in place on the date of the Fund's investment in such portfolio company will remain the same or continue to be affiliated with such portfolio company throughout the period in which such portfolio company is held by the Fund. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Fund may be adversely affected thereby.

#### *Operation in Highly Competitive Markets*

The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include a broad spectrum of sources of capital, including other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, publicly-traded special purpose acquisition companies ("SPACs") and other private equity funds, investing directly or through affiliates. Over the past

several years, an everincreasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Fund likely will be formed in the future by other unrelated parties. Some of the Fund's competitors for investment opportunities may have significantly more relevant experience, greater financial resources, a greater willingness to take on risk and/or more personnel than the General Partner, the Fund and their respective affiliates and/or access to capital that may be committed for longer periods of time or may have different return thresholds than the Fund, and thus these competitors may have certain advantages not shared by the Fund, including synergies with other assets or portfolio companies. In addition, competitors may have incurred, or may in the future incur, leverage to finance their investments at levels or on terms more favorable than those available to the Fund and/or may have longer operating histories, greater financial resources and lower costs of capital than the Fund, and consequently, may be able to compete more effectively. The General Partner expects that competition for appropriate investment opportunities will increase, which could also require the Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Fund and/or adversely affecting the terms or pricing upon which portfolio investments can be made. Participating in auctions will also increase the pressure on the Fund with respect to pricing of an investment. The Fund may not always be able to compete successfully with its competitors and competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on its business, prospects, financial condition, results of operations and cash flows. Furthermore, given the increasingly competitive environment, the General Partner may find it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to the closing of the investment. In addition, competitors for investment opportunities may be willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund-level guarantees. In the event a financing-related closing condition is not available to the Fund or if the Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, the Fund may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. To the extent that the Fund encounters competition for investments, returns to Limited Partners may decrease, including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, the Fund is expected to incur bid, due diligence, negotiating, consulting and other costs of investments, which may not be successful. As a result, the Fund may not recover all of its costs, which would adversely affect returns. To the extent that the Fund encounters significant competition for investments, returns to Limited Partners may decrease, including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified and consummated.

#### *Risks in Effecting Operating Improvements*

A key element of the Fund's investment strategy depends, in part, on the ability to restructure and effect improvements in the operations of a portfolio company, including, to the extent applicable, with help of the members of the Operations Group. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. Executing operational improvements may divert the attention of a portfolio company's key personnel and



disrupt normal business operations of such company. There can be no assurance that the Fund will be able to successfully identify and implement such restructuring programs and improvements.

*Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions*

Before making investments, the General Partner will typically conduct such due diligence as it deems reasonable and appropriate based on the known facts and circumstances applicable to each potential investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are expected, from time to time, to be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto, and the General Partner generally will rely on the advice received from such third parties. Such involvement of third-party advisors or consultants presents a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. In addition, if the General Partner is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

*Projections*

In certain situations, the Fund expects to use financial projections to help analyze potential investments, future capital raises and financing for portfolio companies or other transactions. Projected operating results of a portfolio company in which the Fund invests normally will be based primarily on financial projections prepared by such portfolio company's management team, with adjustments to such projections made by the General Partner in its sole discretion. In all cases, projections are only estimates of future results that are based upon information received from a portfolio company and third parties and assumptions made at the time the projections are developed. 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 any projections will be attained, and actual results may differ significantly from projections. General economic factors, which are not predictable, can also have a material effect on the reliability of projections.

*General Partner Deemed Capital Contributions*

The General Partner is permitted to satisfy a portion of its Commitment to the Fund through deemed capital contributions, rather than cash contributions, and there will be a corresponding reduction in Management Fees. If the General Partner is credited with deemed capital contributions, Limited Partners (other than certain Limited Partners with respect to which Management Fees are not charged) will be required to make additional capital contributions to the Fund. This may result in an acceleration of Limited Partner capital contributions as compared to a situation in which no deemed capital contributions were

used and the Management Fee was not correspondingly reduced. In addition, due to the reduced Management Fees or timing of receipt of compensation subject to Management Fee offsets, it is possible that such offsets will not be fully realized by the Limited Partners until liquidation of the Fund, resulting in a benefit to the General Partner until such liquidation.

#### *Loans in Lieu of Distributions*

Pursuant to the Partnership Agreement, certain distributions to the General Partner may be deferred to the extent the amount distributable exceeds the General Partner's tax basis in the Fund. In such case, the deferred distribution amount may be loaned by the Fund to the General Partner. Any interest accruing with respect to such a loan will be allocated and distributed solely to the General Partner.

#### *Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes*

Certain media, regulatory and political discourse has been and continues to be focused on enhancing governmental scrutiny and/or increasing regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. The combination of scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers (including private equity firms) contributed to the 2008 global financial crisis may negatively impact the Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competitors outside of the alternative asset space. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. As a result, the Fund may make fewer investments, incur greater expenses or delays in completing or exiting investments, and/or realize lower proceeds on the disposition of investments than it otherwise would have. In light of the heightened regulatory environment in which MFG operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for the The Firm and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Fund, the General Partner or the The Firm in particular may result in increased expenses associated with the Fund's activities and additional resources of the General Partner or the The Firm being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors in the Fund or have an adverse effect on the ability of the Fund to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management team of the The Firm, and may furthermore place the Fund at a competitive disadvantage to the extent that the General Partner or the The Firm is required to disclose sensitive business information. As private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators and market commentators. Elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no

assurance that the foregoing will not have an adverse impact on the General Partner, the The Firm or the Fund or otherwise impede the Fund's activities.

#### *National Security Investment Clearance*

In some cases, investments by the Fund involving the acquisition of or investment in a U.S. business or assets with a nexus to U.S. interstate commerce (including a U.S. branch or subsidiary of a company domiciled outside of the United States) could be subject to review and approval by the Committee on Foreign Investment in the United States ("CFIUS"). Significant CFIUS reform legislation and regulations, which became effective on February 13, 2020, among other things, expand the scope of CFIUS' jurisdiction to cover more types of transactions and empowers CFIUS to scrutinize more closely investments in U.S. "critical technology" and "critical infrastructure" companies, as well as companies that collect "sensitive personal data" of U.S. citizens, including investments involving foreign limited partners or coinvestors that could be deemed "non-passive." Outside of the United States, other countries are increasingly taking action to strengthen their foreign investment clearance ("FIC") regimes. As a result, any investments by the Fund in certain countries outside the United States could likewise be subject to review by FIC regimes if the investments are perceived to implicate national security policy priorities. Certain of the Limited Partners are expected to be non-U.S. investors, and in the aggregate, could comprise a substantial portion of the Fund's aggregate Commitments, which increases both the risk that investments could be subject to review by CFIUS, and the risk that limitations or restrictions will be imposed by CFIUS and/or other FIC regulators on the Fund's investments. While the General Partner is permitted to take steps (including, but not limited to, placing limitations on Limited Partners' rights) to help ensure that Fund investments are not within the jurisdiction of CFIUS and/or other FIC regulators or to improve the Fund's regulatory profile to help obtain approval of CFIUS and/or other FIC regulators, CFIUS and other FIC regulatory practices are rapidly evolving, and there can be no assurance that any restrictions implemented on any such Limited Partner or any such group of Limited Partners will allow the Fund to maintain, or proceed with, any investment that the Fund's investments will be exempt from CFIUS and/or other FIC requirements, or that CFIUS and/or another FIC regulator will not seek to ask questions about a transaction. Any review and approval of a Fund investment by CFIUS and/or another FIC regulator can have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things.

Moreover, in the event that CFIUS or another FIC regulator reviews one or more of the Fund's investments, there can be no assurances that the Fund will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another FIC regulator could seek to impose limitations, conditions, or restrictions on, or prohibit, one or more of the Fund's investments. Such limitations, conditions, or restrictions could prevent the Fund from maintaining or pursuing investments or adversely affect the performance of Fund investments, and thus the Fund's performance as a whole. Failure to submit required filings would likely result in significant financial penalties for each transaction party, as well as reputational damage and potential legal restrictions on future investments. In addition, CFIUS is actively pursuing transactions that were not notified to it and could ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. CFIUS or other FIC regulatory considerations, including changes to the implementing laws and regulations and agency practice, could limit or restrict the universe of suitable buyers for an investment, thereby constraining the Fund's ability to recognize value from exits and/or making exit transactions more difficult. Additionally, the Fund is permitted invest in companies that are, or could become, subject to CFIUS requirements based on pre-existing foreign ownership and control; in such cases, CFIUS requirements could adversely impact a portfolio company's ability to obtain or retain business or otherwise make it more difficult for the Fund to realize a profit from an investment. Moreover, in the event that the Fund makes an investment in a

company that is subject to CFIUS review or mitigation, the Fund could have outsized expenses and/or additional compliance obligations, among other things, as a result of such review or mitigation. Additionally, current legislation pending before the United States Congress contemplates regulating outbound investment to countries and companies deemed to be averse to U.S. national security and foreign policy interests. If such legislation is not enacted, similar outbound investment controls could be implemented under the auspices of an executive order. Any restrictions on U.S. outbound investment could limit the universe of prospective investments available to the Fund making it more difficult to deploy capital, and/or adversely affect the governance and operations of the Fund's investments and thus the performance of the Fund.

*Privacy, Data Protection and Information Security Compliance Risk*

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the The Firm, the General Partner, the Fund and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the The Firm, the General Partner, the Fund and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties. Certain jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the The Firm, the General Partner, the Fund and/or their portfolio companies.

*Alternative Investment Fund Managers Directive*

The Alternative Investment Fund Managers Directive (the "AIFMD"), as implemented in each member state of the European Economic Area ("EEA") and as implemented and retained by the United Kingdom ("UK") following its departure from the European Union ("EU"), regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the EEA and UK, respectively. To the extent the Fund is actively marketed to investors domiciled or with a registered office in the EEA ("EEA Investors") or investors domiciled or with a registered office in the UK ("UK Investors"): (i) the Fund and the The Firm will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and the The Firm may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the

Fund; (iii) the The Firm will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA or UK portfolio companies, including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure a portfolio company within the first two years of ownership, which may in turn affect operations of the Fund generally. In addition, it is possible that some jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of Commitments. The The Firm or its affiliates may provide this brochure and other information regarding the Fund and the limited partner interests in the Fund to UK or EEA investors who have contacted the The Firm, its affiliates or its placement agent (where relevant) at the investor's own initiative to request such information. Where information is provided in response to an own-initiative request by a prospective investor, such investor will not benefit from any protections or rights under the AIFMD in respect of any resulting subscription for limited partner interests in the Fund. The European Commission published proposals for a Directive to amend the AIFMD ("AIFMD II") in November 2021. AIFMD II will impose obligations including: (i) minimum substance considerations that EU regulators will need to take into account during the AIFM authorization process; (ii) enhanced requirements around delegation, including additional reporting requirements in relation to delegation arrangements; (iii) new requirements applying to AIFMs managing funds that originate loans; (iv) increased investor pre-contractual disclosure requirements, notably around fees and charges; and (v) a prohibition on non-EU AIFMs and AIFs established in jurisdictions identified as "high risk" countries under the European Anti-Money Laundering Directive (as amended) or the revised EU list of non-cooperative tax jurisdictions. Technical negotiations have completed and the final text is expected to be published in 2024, with AIFMD II due to be implemented by EU member states in 2026. It is possible that AIFMD II may require additional costs, expenses and/or resources, as well as restricting or prohibiting certain activities, including in relation to loan-originating funds and managers or funds established in jurisdictions outside the EU identified as having AML and/or tax failings.

#### *United Kingdom Exit from the European Union*

On January 31, 2020, the UK formally withdrew from the EU ("Brexit"). After this, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement signed on December 30, 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future. As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to substantially many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives in whole or in part

(for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU member states.

#### *Registration under the U.S. Commodity Exchange Act*

Registration with the U.S. Commodity Futures Trading Commission (“CFTC”) as a “commodity pool operator” or as a “commodity trading advisor” or any change in the Fund’s operations necessary to maintain the General Partner’s ability to rely upon the exemptions from registration could adversely affect the Fund’s ability to implement its investment program, conduct its operations and/or achieve its objectives and subject the Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the General Partner to cease or to limit investing in interests which may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on the Fund’s ability to implement its investment objectives and to hedge risks associated with its operations.

#### *Sanctions Compliance Considerations*

Economic sanction laws in the United States and other jurisdictions have the potential to prohibit or otherwise restrict the General Partner, the Fund, its portfolio companies and their respective officers, directors and employees from engaging in transactions in or relating to certain countries and relating to certain individuals and entities. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and U.S. Department of State administer and enforce laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These persons and entities include specially designated nationals and other persons and entities targeted by OFAC sanctions programs. The lists of OFAC restricted countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at [www.treas.gov/ofac](http://www.treas.gov/ofac). In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. Export restrictions enforced by the United States prohibit certain additional transactions with certain non-U.S. persons and entities. These types of sanctions and similar laws and regulations in non-U.S. jurisdictions have the potential to significantly restrict the Fund’s direct or indirect investment activities in certain countries. Sanctions and export control restrictions change from time to time with little warning and could require the General Partner, the Fund, or its portfolio companies to unwind or terminate business relationships, potentially on commercially unfavorable terms. The economic sanctions and related laws of different jurisdictions in which the Fund makes investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by the General Partner, the Fund or any of the Fund’s portfolio companies to comply with OFAC, other relevant sanctions and export restrictions could have serious legal and reputational consequences, including civil and criminal penalties.



*Anti-Corruption and Anti-Boycott Considerations*

The U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("UKBA") and other anti-corruption and anti-bribery laws, as well as U.S. antiboycott regulations have the potential to impact the General Partner, the Fund and the Fund's portfolio companies. The Fund may be adversely affected or forego pursuing certain opportunities because of the General Partner's unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities or to obtain or retain business. In recent years, U.S. regulators have been increasingly focused on private equity sponsors' compliance with the FCPA. Any determination that the General Partner, the Fund, its portfolio companies or any of their respective officers, directors or employees has violated the FCPA, the UKBA or other applicable anti-corruption laws, anti-bribery laws, or U.S. anti-boycott regulations, could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could adversely affect the Fund's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

*Anti-Money Laundering Considerations*

In connection with the prevention of money laundering under applicable laws, the General Partner reserves the right to require a detailed verification of a prospective investor's identity, disclosure of its beneficial owner(s), and the source of such prospective investor's funds. In the event of a delay or failure by a prospective investor to produce any such information required for verification purposes, the General Partner reserves the right to refuse to admit such investor to the Fund. As a result, the General Partner reserves the right, from time to time, to request (outside of the subscription process), and Limited Partners will be obligated to provide to the General Partner as appropriate upon such request, additional information as from time to time is required for the The Firm, the General Partner or the Fund to satisfy their respective obligations under these and other laws that may be adopted in the future. Also, the General Partner expects, from time to time, to be obligated to file reports with regulatory authorities in various jurisdictions with regard to, among other things, the identity of the Limited Partners and suspicious activities involving the interests of the Fund. In the event it is determined that any Limited Partner, or any direct or indirect owner of any Limited Partner, is a person identified in any of these laws as a prohibited person, or is otherwise engaged in activities of the type prohibited under these laws, the General Partner could be obligated to suspend acceptance of such Limited Partner's contributions, to withhold distributions of any funds otherwise owed to such Limited Partner or to cause such Limited Partner's interests to be cancelled or otherwise redeemed (without the payment of any consideration in respect of those interests), and to file (or direct its custodial banks to file) required notifications of such actions with the Treasury Department. The Bank Secrecy Act of 1970 and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (the "PATRIOT Act"), signed into law on and effective as of October 26, 2001, requires that financial institutions (a term that includes banks, broker-dealers and investment companies) establish and maintain compliance programs to guard against money laundering activities. The PATRIOT Act authorizes the Secretary of the U.S. Treasury to prescribe regulations in connection with anti-money laundering policies of financial institutions. Future rules and regulations regarding money laundering or proceeds of crime could regulate the Fund, the General Partner or the The Firm and require such persons to expend additional resources meeting affirmative anti-money laundering compliance obligations. In this regard, in September 2002 and May 2003, the Treasury Department published proposed regulations that would have, respectively, required certain unregistered investment companies and investment advisers to

establish anti-money laundering programs. Although those proposed regulations were withdrawn in October 2008, the Treasury Department indicated that it “will continue to consider whether and to what extent” it should impose such requirements on investment advisers and unregistered investment companies. Laws or regulations may presently or in the future require the Fund, the General Partner or the The Firm or other service providers or transaction counterparties to the Fund to establish additional anti-money laundering procedures, to collect information with respect to the Limited Partners and their beneficial owners, to share information with governmental authorities with respect to the Limited Partners and their beneficial owners, and/or to implement additional restrictions on the transfer of limited partner interests in the Fund. The General Partner therefore reserves the right to request such information as is necessary to verify the identity of the Limited Partners and their beneficial owners and the source of the monies used to acquire interests in the Fund, or as is necessary to comply with applicable sanctions and any customer identification programs required by the Treasury Department, the Financial Crimes Enforcement Network, the SEC, any other applicable regulatory body, and the Fund’s counterparties, service providers, and Limited Partners, and to take such other actions that are necessary to enable it to comply with applicable anti-money laundering laws, including the PATRIOT Act. In the event of a delay or failure by a Limited Partner to produce any information required for verification purposes, a transfer of a limited partner interest in the Fund may be delayed or refused.

#### *Need for Follow-On Investments*

Following its initial investment in a given portfolio company, the Fund reserves the right to decide to provide additional funds to such portfolio company and/or its subsidiaries 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, to effectuate the investment thesis, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments could 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 the Fund to increase its participation in a successful portfolio company or the dilution of the Fund’s ownership in a portfolio company if a third party invests.

#### *Additional Capital*

Certain of the Fund’s portfolio companies, especially those in a development phase, are expected to require additional financing to satisfy their working capital requirements or business development strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided to a portfolio company are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. The Fund reserves the right to make additional investments or exercise warrants, options, or convertible securities that were acquired in the initial investment in such company in order to preserve the Fund’s proportionate ownership when a subsequent financing is planned, or to protect the Fund’s investment when such portfolio company’s performance does not meet expectations. To the extent a portfolio company in which the Fund has invested receives additional funding in subsequent financings and the Fund does not participate in such additional financing rounds, the interests of the Fund in such portfolio company would be diluted. The availability of capital is generally a function of market conditions that are



beyond the control of the Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

### *Syndication*

To facilitate the acquisition of a portfolio company, the Fund reserves the right to make (or commit to make) an investment in such company with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of the acquisition, which generally will have been funded through investor capital contributions and/or the use of a Fund credit facility. In such event, the Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Fund will bear the entire portion of any breakup fee or topping or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or realize lower than expected returns from such investment. To that extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

### *Non-U.S. Investments*

The Fund is permitted to invest 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 the Fund's non-U.S. investments are denominated (including risks associated with inflation and/or hyperinflation), 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 the 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) potential unsettled points of applicable governing law and 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 Fund and/or the Partners; (x) differing and potentially less well-developed, well-tested and/or more restrictive laws, regulations and regulatory institutions and judicial systems, including 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) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (xiii) political hostility to investments by foreign or private equity investors; (xiv) less publicly available information; (xv) economic dislocations in the host country; (xvi) civil disturbances; (xvii) government instability; and (xviii) nationalization and expropriation of private assets. Additionally, the Fund may be less influential than other market participants in jurisdictions where it, the General Partner and/or the The Firm do not have a significant presence, and it may have greater difficulty

enforcing its legal rights in a non- U.S. jurisdiction. The Fund will also be subject to additional potential risks, which include possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of government restrictions. Certain of the Fund's investments could also be subject to brokerage taxes levied by non-U.S. governments, the effect of which would be to increase the cost of such an investment and reduce the realized gain (or increase the realized loss) on such an investment at the time of its disposition. While the General Partner intends, where it deems appropriate, to manage the Fund in a manner that is intended to minimize exposure to the foregoing risks and to take these factors into consideration in making investment decisions for the Fund, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Fund that are held in certain non-U.S. jurisdictions.

#### *Non-U.S. Currency Risks*

Although many of the Fund's investments are expected to be U.S. dollar denominated, an investment that is denominated in a non-U.S. currency is subject to the risk that the value of the particular currency in which such investment is denominated will change in relation to one or more other currencies, including the U.S. dollar, which is the currency in which the books of the Fund will be kept and contributions and distributions generally will be made. Among the factors that may affect currency values are trade balances between nations, short-term interest rates, variations in the relative value of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. The Fund and/or its portfolio companies may incur costs in converting investment proceeds from one currency to another. The General Partner reserves the right, but is under no obligation, to employ hedging techniques to manage currency exchange exposure, although there can be no assurance that such techniques will be effective. Interests in the Fund are denominated in U.S. dollars, and prospective investors in any country in which U.S. dollars are not the local currency should note that changes in the exchange rate between the U.S. dollar and such local currency may have an adverse effect on the value, price or income of an investment in the Fund. Foreign exchange regulations may be applicable to investments in certain jurisdictions. Any fees, costs and expenses incurred by a non- U.S. Limited Partner in converting its local currency to U.S. dollars in order to make capital contributions to the Fund will be borne solely by such non-U.S. Limited Partner, will be in addition to the amounts required to be contributed, and will not be part of the Commitment of such non-U.S. Limited Partner.

#### *Hedging Arrangements; Related Regulations*

The General Partner reserves the right (but is not obligated) to endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund is permitted to 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 Fund to credit risk and market risk, financial loss as a result of market volatility and market events (which could be increased through the use of leverage), 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 will expose the 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 CFTC or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

#### *Significant Adverse Consequences for Default*

The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. Whether and how to exercise the Fund's remedies against a defaulting Limited Partner will be determined by the General Partner in its sole discretion, and the General Partner reserves the right to require the non-defaulting Limited Partners to contribute capital to make up for the shortfall created by such defaulting Limited Partner. If a Limited Partner fails to pay when due installments of its Commitment to the Fund, and the contributions made by non-defaulting Limited Partners and borrowings by the Fund are inadequate to cover the defaulted amount, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including nondefaulting Limited Partners). Impacts of Excuse or Exclusion. A Limited Partner's participation in the Fund's investments is permitted to be limited by virtue of the General Partner's right to exclude a Limited Partner from, or a Limited Partner's right to be excused from, participating in certain of the Fund's investments as set forth in the Partnership Agreement and/or a side letter with such Limited Partner, thereby increasing the participation of other Limited Partners. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Fund. Conversely, the aggregate returns by an excused or excluded Limited Partner may be adversely affected in a material manner by the favorable performance of an investment from which such Limited Partner was excused or excluded, or by the fact that the capital contributions made by such excused or excluded Limited Partner in the aggregate are proportionately less than the capital contributions made by Limited Partners that participated in all Fund investments.

#### *Dilution*

Limited Partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions. Dilution risk applies to Limited Partners as well as any parallel funds and co-investors. The risk of dilution increases as the Fund's subscription period increases and/or the amount of time an investment is held by the Fund before co-investors' investments. As described above, the Partnership Agreement provides the purchase price borne by subsequent Limited Partners, which includes subscriptions by Limited Partners to parallel funds, will be the original purchase price plus accrued interest, subject to the General Partner's ability to utilize an equitable adjustment for such subsequent investors. For the avoidance of doubt, equitable adjustments are not expected to occur, except in limited circumstances. This dilution risk has the potential to result in conflicts of interest between the General

Partner and Limited Partners, including, but not limited to, unrealized investments that have appreciated in value and the General Partner's interests to increase Fund size and resulting management fees and additional carried interest potential.

#### *Transfer by General Partner*

To the extent the General Partner, its partners, the Principals and/or their respective affiliates commit to make a direct or indirect investment in or alongside the Fund, participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

#### *Public Company Holdings*

The Fund's investment portfolio is permitted to contain securities and debt issued by publicly held companies. Such investments have the potential to subject the 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 the 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, in those cases where the Fund has a Board Representative (as defined below), the Principals, and increased costs associated with each of the aforementioned risks.

#### *Distressed Investments*

The Fund is authorized to 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. It may take a number of years for the market price of distressed securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (e.g., due to failure to obtain requisite approvals), or will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied). In the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the 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 the Fund invested.

#### *Recycling; Reinvestment*

The General Partner generally has the right to recall certain capital returned or distributed to the Partners. Accordingly, during the term of the Fund, a Partner may be required to make capital contributions in excess of its Commitment (with certain limitations), and to the extent such recalled or retained amounts

are reinvested in investments, a Partner will remain subject to investment and other risks associated with such investments.

#### *Fees and Expenses*

Fund Expenses and the Partnership Agreement, the Fund will pay and bear all expenses related to its operations, including Management Fees and the costs of acquiring, holding, monitoring, maintaining and disposing of portfolio companies, including investment banking fees and consulting fees, whether or not the Fund makes any profits. While it is difficult to predict the future expenses of the Fund, such expenses are expected to be substantial and may surpass the Fund's operating income. The amount of these Fund expenses will reduce the actual returns realized by Limited Partners on their investment in the Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of the Fund expenses ultimately called or called at any one time may exceed expectations.

#### *Reserves*

The General Partner will establish reserves for investments by the Fund, operating expenses of the Fund, Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are inadequate, the Fund may be unable to take advantage of attractive investment opportunities or may not be able to pay its liabilities or expenses as they come due. If reserves for liabilities or expenses are excessive, the Fund may decline attractive investment opportunities.

#### *Minority Investments*

The Fund reserves the right to invest in minority positions of portfolio companies alongside other private equity funds and other third parties and in companies over which the Fund has no right to exert significant influence. In addition, during the process of exiting investments, the Fund at times is permitted to 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 Fund is permitted to invest in will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling stakes. In such cases, the Fund will significantly rely on the existing management teams and boards of directors of such companies, which may include representatives of other investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if the Fund has contractual rights to seek liquidity of the 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 the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals. In addition, there can be no assurance that, if the Fund completes a minority transaction, that there will be any minority rights granted to the Fund or that such rights will provide sufficient protection of the Fund's interests. To the extent the 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 and/or entities 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 Fund or the 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, the Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the 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.

#### *Director Liability*

The General Partner expects that the Fund will often seek to obtain the right to appoint one or more representatives to the boards of directors (or similar governing bodies) of the companies in which it invests (each, a "Board Representative"). A Board Representative may have duties to persons other than the Fund and such portfolio company. Serving on the board of directors (or similar governing body) of a portfolio company will expose a Board Representative, and ultimately the Fund, to potential liability. Portfolio companies may not obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors against such liability. In addition, involvement in any litigation related to such liability can be time consuming and divert the attention of such persons from the Fund's investment activities. Co-investors and/or co-investment vehicles may indirectly benefit from the General Partner's appointment of such directors, although co-investors (including their respective co-investment vehicle, even if managed by the The Firm) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by the Fund.

#### *Control Person Liability*

The Fund is expected to have controlling interests in a number of its portfolio companies. The exercise of control over a portfolio company imposes additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to the Limited Partners may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, the Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Fund could suffer significant losses. While the General Partner intends to manage the Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Fund and/or its affiliates cannot be precluded.

#### *Liability of Limited Partners*

The Fund has been organized as a Delaware limited partnership. Generally, a Limited Partner should not be personally liable for any obligations of the Fund or required to make contributions to the Fund in excess of its Commitment, except to the extent required by the applicable Partnership Agreement, any related agreements or the Delaware Revised Uniform Limited Partnership Act (the "Partnership Act"). In addition, any Limited Partner's Commitment is susceptible to risk of loss as a result of any liability of the Fund irrespective of whether such liability is attributable to an investment to which such Limited Partner did not contribute any capital.



*Standard of Care; Indemnification*

The Partnership Agreement contains provisions that, subject to applicable law, (i) reduce, modify and/or eliminate duties that the General Partner and its affiliates would otherwise owe to the Fund and the Limited Partners, (ii) waive duties or consent to the conduct of the General Partner that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies of a Limited Partner with respect to breaches of such duties. In addition, pursuant to the Partnership Agreement, the Principals, the The Firm and certain of their employees and affiliates will be indemnified and held harmless from claims, losses, liabilities, damages, costs or expenses to which any of the foregoing directly or indirectly become subject in connection with the Fund's activities (including matters that may involve one or more potential or actual conflicts of interest), subject to certain exceptions set forth in the Partnership Agreement, and are generally entitled to receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. The application of the foregoing standards will result in Limited Partners having a more limited right of action in certain cases than they would in the absence of such standards. As a result, the Fund may bear significant financial losses even where such losses were caused by the negligence of the General Partner and certain of its affiliates. Such losses may have an adverse effect on the Fund's returns to the Limited Partners. Any fees, costs, expenses (whether or not advanced) and other liabilities resulting from the Fund's indemnification obligations generally will be paid by or otherwise satisfied out of the assets of the Fund (including the aggregate unfunded Commitments). In addition, if the assets of the Fund are insufficient to satisfy the Fund's indemnification obligations, the General Partner reserves the right to recall distributions previously made to the Partners, subject to certain limitations set forth in the Partnership Agreement. The obligations of a Limited Partner to fund any indemnification will generally survive the dissolution of the Fund and could materially impact the returns to Limited Partners. The General Partner has authority to cause the Fund to purchase insurance for the Fund, the General Partner, the The Firm and their respective employees, agents and representatives, including to cover actions that would not be indemnifiable under the Partnership Agreement, although there can be no assurance that any such insurance will be sufficient, available to satisfy the specific claims that may arise or generally available on commercially reasonable terms. For the avoidance of doubt, nothing herein shall be construed as a waiver of the General Partner's or the The Firm's federal fiduciary duties, and investors retain such rights as are not waivable under applicable law, including the Advisers Act.

*Early Dissolution of the Fund*

Pursuant to and in accordance with the terms of the Partnership Agreement, the Fund may be dissolved earlier than anticipated. In such case, the Fund's ability to consummate, manage and/or dispose of investments or otherwise achieve its investment objectives is likely to be negatively affected and the Fund may be required to dispose of investments at a disadvantageous time and/or make in-kind distributions, resulting in Limited Partners not having their capital invested and/or deployed in the manner originally contemplated.

*Litigation*

The transactional nature of the business of the Fund exposes the Fund, the General Partner and their respective affiliates generally to the risk of third-party litigation. In the ordinary course of its business, the Fund may be subject to litigation from time to time. Additional regulation could also increase the risks of third-party litigation. Under the Partnership Agreement, the Fund generally will be responsible for indemnifying the General Partner and certain of its affiliates for costs they incur with respect to such

litigation not covered by insurance. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

#### *Advisory Board*

The General Partner will appoint one or more Limited Partners as representatives to the Advisory Board, which has the ability to review and waive compliance with certain provisions of the Partnership Agreement, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances under the Partnership Agreement, including certain approvals or consents required by the Advisers Act. Pursuant to the terms of the Partnership Agreement, all Limited Partners are bound by the determinations of the Advisory Board, regardless of whether a Limited Partner is represented by a member of the Advisory Board. The Partnership Agreement will provide that to the fullest extent not prohibited by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the Fund or any Partner. An Advisory Board member is permitted to consider the interests of the Limited Partner it represents over the interests of the Limited Partners as a whole when voting or consenting to any matter submitted to the Advisory Board. Consequently, such Limited Partners have the potential to disproportionately represent one or more of the vehicles or categories of Limited Partners comprising the Fund. Members of the Advisory Board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the Advisory Board for consideration or review. In addition, members of the Advisory Board and/or the Limited Partners associated with such representatives will, from time to time, have various business and other relationships with MFG and its members, partners, managers, directors, officers, employees and affiliates or interests in funds managed by other private equity sponsors. To the extent members of the Advisory Board or Limited Partners vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby, such Limited Partners may not vote (and will be exculpated from liability for not voting) solely in accordance with their interests related to the Fund and may vote in a manner that is beneficial to such Limited Partners' other interests at the expense of the Fund. Additionally, it is expected that Limited Partners who designate representatives to participate on the Advisory Board may, by virtue of such participation, have more information about the Fund and portfolio investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally. To the extent that a Limited Partner is not represented by a member of the Advisory Board, such Limited Partner will have no influence over matters submitted to the Advisory Board for review or approval.

#### *Concentration of Voting by Limited Partners and Advisory Board*

The Limited Partners and the limited partners of any parallel investment entity generally vote on all matters on a combined basis and based on aggregate Commitments as set forth in the Partnership Agreement. Accordingly, action by limited partners in a parallel investment entity or actions by relatively large investors could affect the outcome of votes submitted to the Fund.



*Secondary Transfers of Fund Interests*

To the extent that the General Partner has discretion to consent to a transfer of a limited partner interest in the Fund pursuant to the Partnership Agreement, and subject to any restrictions therein, the General Partner reserves the right to identify one or more persons to potentially acquire such interest, and reserves the right to take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to such a transfer.

*Effect of War or Armed Hostilities*

War or armed hostilities, or the fear of such events, could reasonably be expected to have an impact on economic conditions globally. In particular, on October 7, 2023, a Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack (the “2023 Israel-Hamas Conflict”). The foregoing attack sparked an armed conflict, which is currently ongoing, between Palestinian militant groups led by Hamas and Israel, known as the 2023 Israel-Hamas Conflict. Although, since the establishment of the State of Israel, a state of hostility has existed, in varying degrees of intensity, between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other countries have previously announced their intentions to establish trade and other relations with Israel, the 2023 Israel-Hamas Conflict has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. In addition, the ongoing military conflict between Russia and Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Fund or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. The 2023 Israel-Hamas Conflict and the Russia-Ukraine conflict may have a significant adverse impact on, and result in significant losses to, the Fund. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. They may also limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which the Fund intends to pursue, all of which could adversely affect the Fund’s ability to fulfill its investment objectives.

*Inflation Risk*

High rates of inflation and rapid increases in the rate of inflation generally have a negative impact on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country’s economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, historically have had negative effects on the level of economic activity. Certain countries, including the United States, have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Fund’s investments and its aggregated returns. For example, if a portfolio company were unable to increase its revenue while the cost of relevant inputs were increasing, the company’s profitability would likely suffer. Likewise, to the extent a portfolio company has revenue

streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the portfolio company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a portfolio company may see its competitors' costs stabilize sooner or more rapidly than its own. Additionally, because the fixed internal rate of return payable to Limited Partners is not linked to the rate of inflation, as the rate of inflation increases the proportion of real returns (i.e., the nominal rate of return less the rate of inflation) decreases and the proportion of real returns subject to performance-based compensation increases.

#### *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, virus or disease epidemics 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 be compounded by local, regional or global health crises including but not limited to the rapid and/or pandemic spread of novel viruses (e.g., SARS, MERS, COVID-19 (Coronavirus) and/or other similar epidemics). Such health crises could exacerbate the political, social and economic risks previously mentioned, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty and unrest may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. It may also hinder the Fund and its portfolio companies and prospective portfolio companies from operating in the ordinary course of business. 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 Fund and its 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 Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

#### *General Economic and Market Conditions*

The private equity industry generally and the success of the Fund's 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. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability 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 Fund's investments and could have a negative impact on the performance and/or valuation of the Fund's portfolio companies. The 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 U.S. in 2011, which, among other things, can impact the public market comparable earnings multiples used to

value privately held portfolio companies and investors' riskfree rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, topping, termination or other fees and expenses in the event the 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 the 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 the Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to the 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 and may be magnified by the expected limited geographic diversity of the Fund's investments.

#### *Capital Calls*

Capital calls will be issued by the General Partner from time to time and the discretion of the General Partner. To satisfy such capital calls, Limited Partners may need to maintain cash or other assets that can be readily converted to cash equal to all or a substantial portion of their capital commitments. A Limited Partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Fund or upon any assessment thereof provided by the General Partner. Capital calls may not provide all of the information a Limited Partner desires in a particular circumstance, and such information may not be made available and will not be a condition precedent for a Limited Partner to meet its funding obligation.

#### *Public Health Emergencies*

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund. New and ongoing public health crisis and/or emergencies could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund's and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio companies, the General Partner and the The Firm may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as

they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

*Environmental, Social and Governance (“ESG”) Matters*

Depending on the investment, the impact of developments connected with ESG factors, including worker health and safety, environmental compliance, and bribery and corruption, could have a material effect on the return and risk profile of the investment. The act of selecting and evaluating material ESG factors is subjective by nature, and the General Partner may be subject to competing demands from different investors and other stakeholder groups with divergent views on ESG matters, including the role of ESG in the investment process. There is not guarantee that the criteria utilized or judgment exercised by the General Partner or a third-party ESG advisor will reflect the beliefs or values, internal policies or preferred practices of any Limited Partner or other asset managers or reflect market trends. Conversely, anti-ESG sentiment has also gained momentum across the U.S., with several states and the U.S. Congress having proposed or enacted “anti-ESG” policies, legislation or initiatives and certain states having issued related legal guidance and advisory opinions. Additionally, asset managers have been subject to recent scrutiny related to ESG-focused industry working groups, initiatives and associations, including organizations advancing action to address climate change or climate-related risk. Such scrutiny could expose the The Firm or General Partner to the risk of antitrust investigations or challenges by state or federal authorities, result in reputational harm, require certain investors to divest or discourage certain investors from investing in Other MFG Vehicles. There are also significant differences in interpretations of what ESG characteristics mean by region, industry and topic, as well as interpretations of their scope and materiality. Considering ESG factors when evaluating an investment in certain circumstances could, to the extent material risks associated with an investment are identified, cause the General Partner not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration, which carries the risk that the Partnership could perform differently than investment funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that the General Partner expects to consider in making an investment. Although the General Partner will consider application of ESG considerations to be an opportunity to enhance or protect the performance of the Partnership’s investments over the long-term, the General Partner cannot guarantee that doing so, which will include qualitative judgments, will positively impact the performance of any individual investment or of the Partnership as a whole. The materiality of ESG risks and impacts on an individual asset and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment style. In evaluating a prospective investment’s ESG practices, the General Partner may depend upon information and data provided by the entity or obtained via third-party reporting or advisors, which could be incomplete or inaccurate and could cause the General Partner to incorrectly identify, prioritize, assess or analyze the entity’s ESG practices and/or related risks and opportunities. In addition, the The Firm’s ESG framework, including associated procedures and practices, is expected to change over time. Finally, there is also growing regulatory interest, particularly in the US, UK and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. There could also be an increase in related enforcement through efforts such as those of the SEC’s Climate and ESG Enforcement Task Force, established in March 2021. The The Firm’s ESG practices and the General Partner could become subject to additional regulation in the future, and the General Partner cannot guarantee that its current approach or the Partnership’s investments will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto)

could affect the Partnership or its investments, including with respect to future administrative burdens and costs.

#### *Weather and Climate Risks*

Global climate change is widely considered to be a significant threat to the global economy. Industrial assets in particular may face risks associated with climate change, including risks related to the impact of climate-related legislation and regulation (both domestically and internationally), risks related to climate-related business trends, and risks stemming from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. The Paris Agreement, a treaty adopted at the United Nations Climate Change Conference (COP21) in Paris, France, on December 12, 2015, and other initiatives launched by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose industrial assets to so-called “transition risks” in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations); (ii) regulatory and litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to impacts related to climate change); (iii) technology and market risk (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions); and (iv) reputational risk (e.g., risks tied to changing customer or community perceptions of an asset’s relative contribution to greenhouse gas emissions). The General Partner cannot rule out the possibility that climate risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or the Fund.

#### *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments*

In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Fund to obtain favorable financing for investments, the Fund’s ability to generate attractive investment returns may be adversely affected. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such deterioration also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

#### *Force Majeure Events*

Certain force majeure events (i.e., those events beyond the control of the party claiming that the event has occurred, including acts of God, fires, floods, earthquakes, war, acts of terrorism, labor strikes, pandemics, outbreaks of infectious diseases or any other serious public health concerns) may adversely affect the ability of the General Partner, its affiliates, the Fund, its portfolio companies, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may result in a permanent loss of customers, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some case, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The occurrence of a force

majeure event may, directly or indirectly, have a material adverse effect on the Fund and/or any of its portfolio companies.

#### *Adequacy and Availability of Insurance*

While the Fund is permitted to seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from certain adverse events and other risks customarily covered by insurance, such coverage may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and any insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues (e.g., business interruption insurance may not provide any or adequate coverage relating to shutdowns caused by pandemic health emergencies), an increase in operating and maintenance expenses and/or a replacement or rehabilitation. The Fund may not be able to obtain insurance against certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks or other similar events, as such events may be either uninsurable or insurable at such high rates as to materially and adversely impact the Fund's profitability if such insurance were obtained. In addition, the availability of adequate insurance (including general partner liability and directors and officers' policies) are subject to market factors and recent trends have increased both the cost of (in some cases substantially) and the difficulty of obtaining such policies, which trend may continue depending upon various market conditions. In general, losses related to terrorism can be difficult and expensive to insure against. Some insurers are excluding terrorism coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against all potential causes of damage or loss. If a major uninsured loss occurs, the Fund could lose both invested capital in and anticipated profits from the affected investments.

#### *SPAC Investments*

The The Firm and/or one or more of its affiliates (including, potentially, the Fund) is permitted to participate in one or more entities (each such entity, a "SPAC Sponsor") that is formed for the primary purpose of forming, sponsoring, controlling and/or managing a publicly-traded SPAC. Each SPAC will register its shares with the SEC in an initial public offering and seek to use the funds raised in such offering to effect a business combination and, thereafter, operate as a public company. To the extent a SPAC is sponsored by a SPAC Sponsor owned by the Fund (either entirely or in part), the Fund will be required to contribute significant capital to the SPAC, including in respect of underwriting fees, deal expenses and working capital (collectively, the "at-risk capital"). If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from its SPAC Sponsor or its management team (which management team could include employees (including certain Principals), advisors and/or consultants of MFG) to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If the Fund does not control the SPAC Sponsor, there can be no assurance that the other owners of the SPAC Sponsor will loan the SPAC sufficient capital to fund the SPAC's continued search for a suitable target. If a SPAC Sponsor (including any SPAC Sponsor owned, entirely or in part, by the Fund) loans any amounts to its applicable SPAC, the Fund (if applicable) may bear a significant amount of the risk of any such loan and any related expenses. There can be no assurance or guarantee that any SPAC will be able to identify a suitable target business and consummate an initial business combination within the limited completion window of 18-24 months established in connection with the SPAC's initial public offering, and in such case, the SPAC will be forced to cease operations and liquidate, any loans it received



(including indirectly from the Fund) will not be repaid and the SPAC Sponsor (including any SPAC Sponsor owned, entirely or in part, by the Fund) will lose the at-risk capital it contributed, which may be substantial. Moreover, following the initial public offering of a SPAC, the trading price of its securities may materially increase or decrease, whether before or after the initial business combination, and none of MFG, the Fund, the applicable SPAC Sponsor or any of their respective affiliates will be able to control or predict the movement of such price. The Fund could also make a direct investment in connection with the initial business combination transaction of a SPAC (including a SPAC sponsored by the Principals, MFG or their respective affiliates).

#### *Material Non-Public Information*

As a result of the operations of MFG and its affiliates, as well as in connection with officerships or directorships of MFG's and its affiliates' personnel, the The Firm comes into possession of confidential or material, non-public information concerning specific companies ("MNPI"). Therefore, MFG and its affiliates may have access to MNPI that may be relevant to an investment decision to be made by the Fund. As a consequence of the General Partner's inability to use MNPI for investment purposes under applicable securities laws and/or MFG's internal policies and practices, the Fund's investment flexibility may be constrained. For example, the Fund may be restricted from buying or selling an investment which, if MNPI had not been known to it, otherwise may have been undertaken. Each of the General Partner and the Fund anticipates that, to minimize the impact of such restrictions, it will elect to not receive MNPI in certain situations in which such an election is available. However, due to these restrictions, there can be no assurance that the Fund will be able to liquidate or exit an opportunity in the same manner or on the same timing as would be the case if such restrictions did not apply.

#### *Conflicts of Interest*

Investors should be aware that various actual and potential conflicts of interest will arise from the overall investment activities of the Fund, the General Partner, the The Firm and their respective affiliates. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in the Fund. In addition, investors should be aware that the General Partner, the The Firm and their respective affiliates likely will in the future engage in further activities that will result in additional conflicts of interest not addressed below. There can be no assurance that the General Partner or the The Firm will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Fund.

MFG engages, and in the future is permitted to engage, in a broad range of activities, including investment activities for several other investment funds, accounts and other vehicles besides the Fund (including any Companion Fund (as defined below), each an "Other MFG Vehicle" and collectively, the "Other MFG Vehicles"), and providing transaction-related, investment advisory, management, consulting services, and other services to Other MFG Vehicles and any of their respective portfolio companies and/or other investments and any managed accounts. In the ordinary course of conducting its activities, the interests of the Fund could conflict with the interests of Other MFG Vehicles as well as other funds or other vehicles, co-investment vehicles or their respective affiliates. There can be no assurance that MFG will resolve all conflicts of interest in a manner that is favorable to the Fund and the Limited Partners.

In connection with managing Other MFG Vehicles, the Principals expect to spend a portion of their business time and attention pursuing investment opportunities for such Other MFG Vehicles and other than on behalf of the Fund. The Principals and the General Partner's investment staff will continue to

manage and monitor such Other MFG Vehicles and investments. MFG believes that the significant investment of the Principals in the Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Partners, although the Principals have, and expect in the future to have, economic interests in such Other MFG Vehicles and investments as well and receive management fees and carried interests relating to these interests. Such Other MFG Vehicles and investments that the Principals expect from time to time to control or manage generally have the potential to compete with the Fund or companies acquired by the Fund.

At such time as the General Partner is permitted to raise a successor investment fund to the Fund, the Principals will continue to manage the Fund's investments, but also likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments. Certain investments may be allocated between the Fund and any successor or predecessor fund in a manner as set forth in the Partnership Agreement. In addition, the Principals reserve the right to spend their business time and attention pursuing investment opportunities that do not fall within the investment objectives of the Fund for Other MFG Vehicles, and other than on behalf of the Fund. Such Other MFG Vehicles and investments that the Principals may control could compete with the Fund or portfolio companies in which the Fund has made an investment. With respect to MFG's time and resources, the respective investment programs of the Fund and the Other MFG Vehicles may or may not be substantially similar.

Until such time as the General Partner is permitted under the Partnership Agreement to raise a successor investment fund to the Fund (excluding, for the avoidance of doubt, any public or private limited partnership, limited liability company or other pooled investment vehicle or contractual or other arrangement over which the The Firm or one of its affiliates has discretionary control and which has, as its investment objective, in whole or in part, to co-invest with the Fund, whether in all investments of the Fund or in some subset of investments (e.g., based on the size, structure, industry, stage of life or similar defining features of certain investments or any other factor set forth in the allocation policy of the The Firm or its applicable affiliate, which may be amended from time to time) (each, a "Companion Fund")), the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Fund for the benefit of the Fund and, to the extent applicable, Companion Funds, subject to certain exceptions set forth in the Partnership Agreement. However, MFG and the Principals currently manage, and in the future expect to manage the Other MFG Vehicles and investments similar to those in which the Fund will be investing and may direct certain relevant investment opportunities to the Other MFG Vehicles and investments. Over time, certain investment opportunities suitable for the Fund are likely also to be suitable for the Other MFG Vehicles.

In determining which Other MFG Vehicles should participate in such investment opportunities, subject to the Partnership Agreement, the General Partner, the Principals and their affiliates are subject to potential conflicts of interest among the investors in the Fund and investors in the Other MFG Vehicles. To determine whether the Fund or Other MFG Vehicles will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for the Fund and/or each Other MFG Vehicle based on the terms of the Fund and/or each Other MFG Vehicle's limited partnership agreement or similar governing document, as well as factors including but not limited to: the Fund and/or each Other MFG Vehicle's available capital, the Fund and/or each Other MFG Vehicle's investment restrictions and objectives (including those set forth in the Fund and/or the Other MFG Vehicle's partnership agreements or similar governing document (including side letters, if any)), strategy, risk profile, sourcing, structural and operational considerations of the Fund and/or the Other MFG Vehicles, investment limitations, target rate of return, composition of the Fund and/or the Other MFG Vehicles' portfolios, target investment size, suitability as a follow-on investment for current



investors, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification considerations, cash level (if any), legal, tax, regulatory, policy or other similar considerations, life cycle, structure size and nature of investment, anticipated duration/hold period, expected leverage, liquidity, amount of uncalled capital available to be invested by the Fund and Other MFG Vehicles and other relevant factors (including agreements with co-sponsors). The Fund is authorized to invest together with Other MFG Vehicles in the manner set forth in the relevant partnership agreements of the Fund and such Other MFG Vehicles. The General Partner will determine the allocation of investment opportunities among the Fund and/or the Other MFG Vehicles in a manner that it believes is fair and equitable under the circumstances consistent with the General Partner's obligations and, in connection with such determination, the General Partner is permitted to take into consideration factors such as those set forth above. In other circumstances, during the period that a portfolio company is owned by the Fund, it could acquire size, revenue, or other characteristics that would make it a suitable investment for one or more Other MFG Vehicles. Except as required by the Partnership Agreement, the General Partner is not obligated to recommend any investment to any particular investment vehicle. In the event that the available amount of an investment opportunity in which the Fund will invest exceeds an amount allocated to the Fund, such excess may also be offered to one or more potential investors. See also "—Co-Investments" below.

The General Partner's allocation of investment opportunities among the Fund and any of the Other MFG Vehicles may not always, and often will not, be proportional. Therefore, such allocations, from time to time, will be more advantageous to the Fund relative to one or all of the Other MFG Vehicles, or vice versa. While the General Partner will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to the Fund under the circumstances over time, there can be no assurance that the Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the General Partner expects to be subject did not exist. The determinations made in connection with the allocation of investment opportunities will frequently be subjective in nature and, consequently, (a) an investment that was determined as appropriate for the Fund (or that the The Firm determined was appropriate for its portfolio companies and their subsidiaries or an Other MFG Vehicle) may ultimately prove to have been more appropriate for an Other MFG Vehicle (or for the Fund, its portfolio companies and their subsidiaries) and (b) where potential overlaps with any of the Other MFG Vehicles exist, the The Firm may, in accordance with the The Firm's investment allocation policy, forego investment opportunities suitable for the Fund. All of the foregoing could in certain circumstances (i) adversely affect the price paid or received by the Fund, its portfolio companies and their subsidiaries or the size of the position purchased or sold by the Fund, its portfolio companies and their subsidiaries, (ii) preclude the Fund, its portfolio companies and their subsidiaries from participating in an investment; or (iii) limit the rights that the Fund, its portfolio companies and their subsidiaries may exercise with respect to an investment. Except as otherwise set forth in the Partnership Agreement, none of the General Partner, the The Firm or their affiliates has any affirmative obligation to offer any investments to the Fund, its portfolio companies and their subsidiaries or to inform the Fund, its portfolio companies and their subsidiaries before offering investments to any Other MFG Vehicle.

Additionally, conflicts of interest will arise if the Fund makes an investment in a portfolio company in conjunction with an investment made by an Other MFG Vehicle. For instance, it is possible that the Fund will not invest through the same investment structure, have the same access to credit or employ the same hedging or investment strategies as such Other MFG Vehicles. This has the potential to result in differences in price, investment terms, leverage and associated costs between the Fund and any Other MFG Vehicle. Where the Fund and an Other MFG Vehicle invest in the same company at different times,

the first vehicle to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than the later vehicle. Similarly, to the extent a transaction does not proceed, the first fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other vehicles could or would have invested in the company in potential future transactions. The General Partner and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the Fund and the Other MFG Vehicles will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any Other MFG Vehicles participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

The Fund and any Other MFG Vehicles potentially will invest at the same, different or overlapping levels of a portfolio company's capital structure, which creates conflicts of interest in determining the terms of each such investment. Questions are likely to arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, will potentially raise conflicts of interest, particularly with respect to funds or other vehicles that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Other MFG Vehicles will potentially not provide such additional capital, and if provided, each such vehicle generally will supply such additional capital in such amounts, if any, as determined by such vehicle's general partner (or similar control person) in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, the General Partner and its affiliates are expected to face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, the Fund versus an Other MFG Vehicle (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). In certain circumstances the Fund is expected to be prohibited from exercising (or the General Partner may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of the Fund may be subject to creditor claims regarding subordination of interests. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

In addition, where an Other MFG Vehicle is a creditor of a portfolio company in which the Fund holds more junior securities, such Other MFG Vehicle may take actions in its own interests with respect to its rights as a creditor (e.g., with respect to breaches of covenants) that may be adverse to the interests of the Fund, its portfolio companies and their subsidiaries as a junior creditor or an equity holder. There can be no assurance that the terms of or the return on the Fund's indirect investments will be equivalent to or better than the terms of or the returns obtained by any Other MFG Vehicle participating in the transaction. The Firm's ability to implement the Fund's strategies effectively may be limited to the extent that contractual obligations entered into in respect of investments made by the Firm or Other MFG Vehicles impose restrictions on the Fund, its portfolio companies and their subsidiaries engaging in transactions that the Firm may otherwise be interested in pursuing.

The General Partner and the Firm also reserve the right to enter into cross transactions on behalf of the Fund and/or Other MFG Vehicles, or co-investors or co-investment vehicles, in which the Fund buys securities from, or sells securities to, or co-invests with, such other funds, vehicles or persons. In some cases, a portfolio company of the Fund will potentially be merged with or into a portfolio company owned

by an Other MFG Vehicle. Investments in a portfolio company by more than one vehicle sponsored by the General Partner or its affiliates raise potential conflicts of interest, including where the assets of the Fund are used to support positions taken by Other MFG Vehicles and/or the transactions allow the General Partner or its affiliates to realize carried interest and/or obtain future management fees and/or carried interest with respect to such investments. 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 funds or vehicles' limited partnership agreements (or other governing agreement, as applicable) or otherwise in the sole discretion of the applicable funds or vehicles' general partners (or similar control persons), such general partner (or similar control person) is authorized to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker paid for by the Fund to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant fund(s) or vehicle(s) including, where authorized, the consent of each fund's or vehicle's advisory board, if applicable, to such transactions. The General Partner also is authorized to determine that the willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions, and therefore determine not to obtain any consent or fairness opinion. Further, funds or vehicles sponsored by the General Partner or its affiliates nearing the end of their term are expected from time to time to sell their interest in commonly held investments to Other MFG Vehicles with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the General Partner are assigned varying percentages of carried interest from funds or vehicles in the same investment, or if economic terms, performance or the potential for carried interest vary between funds or vehicles sponsored by the General Partner or its affiliates, particularly when one fund or vehicle sells its portion of such investment to another fund or vehicle, which could cause a portion of such carried interest to become "realized." Whether or not consent or an opinion is obtained, or a third-party invests, the General Partner intends to conduct such transactions in a manner that the General Partner believes to be fair and equitable to each vehicle under the circumstances over time, including a consideration of the potential present and future benefits with respect to each vehicle, the relative ownership percentages of the vehicles in the applicable investment, the length of time remaining in a vehicle's term and other factors similar to those discussed above regarding the allocation of investment opportunities.

The General Partner is expected to be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Fund. The General Partner, in its sole discretion, will allocate fees and expenses in accordance with the Partnership Agreement and in a manner that it believes is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant. 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 co-investors receiving related benefits or proportionately in accordance with asset size, or in certain cases determining whether a particular expense has a greater benefit to the Fund or the General Partner and/or its affiliates. The The Firm intends to allocate fees and expenses in a manner it believes to be fair and equitable, but in its sole discretion. As a general matter, broken deal expenses are allocated among Limited Partners regardless of whether any individual Limited Partner negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Fund also expects to bear fees and expenses indirectly to the extent a portfolio company (or intermediate entity) pays fees and expenses, and the General Partner reserves the right to charge fees and expenses to portfolio companies, capitalize fees and expenses into the cost basis of a transaction, or to the extent

necessary or desirable for operational, administrative, tax or other reasons, charge fees and expenses at the level of an intermediate holding company between the Fund and the portfolio company. The amount of the Fund expenses ultimately called or called at any one time may exceed expectations.

The Fund primarily expects to make controlling investments in portfolio companies or otherwise obtain control rights or significant influence with respect to such portfolio companies. As a result of these significant investments, the Fund anticipates that it will have the right to appoint portfolio company board members (including Operations Group members and current or former personnel of MFG or persons serving at their request) or to influence their appointment and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the The Firm in connection with services provided by the The Firm and its affiliates to such portfolio company, and, unless such amounts are subject to the Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The General Partner's authority to appoint or influence the appointment of portfolio company board members who are likely to be involved in approving compensation payable to the The Firm subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest. Decisions made by a director will potentially subject the General Partner, the The Firm, the Fund or their respective affiliates to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. From time to time, employees or other personnel of the General Partner, the The Firm or their respective affiliates (including Operations Group members) are likely to also be asked to serve as directors of, or observers with respect to, certain entities in which the Fund has fully exited its ownership interest. Any compensation received by such personnel in connection therewith will not be offset against the Management Fee or otherwise be shared with the Fund and/or Limited Partners.

As discussed above, if the Fund enters into any indebtedness with an Other MFG Vehicle on a joint and several basis, the applicable general partner (or similar control person) is expected to enter into one or more agreements that provide the Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the The Firm may be subject to conflicts of interest, for example between a vehicle with a reimbursement obligation and a vehicle seeking reimbursement. In certain circumstances, vehicles managed by the The Firm may be prohibited from exercising (or the The Firm may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one vehicle or the other may be subject to creditor claims regarding subordination of interests. The The Firm intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each vehicle to bear its proportionate share of the applicable indebtedness.

Additionally, a portfolio company typically will reimburse the General Partner, the Operations Group or service providers retained at the General Partner's sole discretion for expenses (including travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such portfolio company. This subjects the General Partner to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Partnership Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

The General Partner or its affiliates are also permitted to employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Fund or Other MFG Vehicles or

their respective affiliates; conversely, former personnel or executives of the General Partner or MFG could potentially serve in significant management roles at portfolio companies or service providers recommended by the General Partner or MFG. Similarly, the General Partner and/or its personnel maintain relationships with (or are permitted to invest in) financial institutions, service providers and other market participants, and their respective affiliates and personnel, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former portfolio company executives, as well as certain family members or close contacts of these persons. 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, the General Partner and/or the Fund, Other MFG Vehicles. The General Partner will have a potential conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the Fund or a portfolio company owned by the Fund 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 the General Partner or an affiliate advises, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to the General Partner or its affiliates. For example, the General Partner is authorized to cause the Fund to make payments to investment banks, all or a portion of which is for the purpose of generating future deal flow; however, such payments may not result in any future deal flow, or could create goodwill that ultimately results in future deal flow for one or more Other MFG Vehicles that did not pay such expenses. The General Partner will have a conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Fund and Other MFG Vehicles, while the products or services recommended are not necessarily the best available to the portfolio companies held by the Fund.

#### *Conflicts of Interest – Determination of Management Fee Base*

The Partnership Agreement provides the General Partner with wide-ranging authority to make certain determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect the compensation of the General Partner and its affiliates. In making such determinations, the General Partner is subject to potential conflicts of interest. For example, the potential to earn additional compensation can create an incentive for the General Partner to make investments and to hold investments longer than otherwise would be the case in the absence of the Fund's Management Fee and carried interest compensation arrangements. The General Partner expects to be incentivized to cause the Fund to make investments and hold on to investments (and to delay or forego a determination that the investments are completely written off for U.S. federal income tax purposes in the manner described in the Partnership Agreement (such investments, "Impaired Value Investments")) in order to generate greater ongoing Management Fees and, potentially, larger carried interest distributions than would otherwise be the case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments' values will appreciate in the future.

Where the Management Fee is calculated taking into account the valuation of an investment, including a determination of whether an investment has become an Impaired Value Investment, the General Partner will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Partnership Agreement does not require Management Fees to be reduced in connection with investment reorganizations, restructurings, extraordinary dividends or similar

transactions, the General Partner expects to be incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the General Partner expects to be subject to related conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, in each case, within the requirements of the Partnership Agreement.

The criteria used by the General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors, and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the General Partner's determination that an investment is an Impaired Value Investment, and, except as set forth in the Partnership Agreement, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. In making its determination, the General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Partnership Agreement. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of compensation to the General Partner and its affiliates is dependent in part on an investment's status as an Impaired Value Investment, the General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the General Partner and its affiliates intend to operate in accordance with the Partnership Agreement, as well as valuation and other practices and procedures, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such practices and procedures will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

#### *Companion Funds*

MFG reserves the right to also establish one or more Companion Funds. The General Partner, the The Firm and their respective affiliates may invest in or charge carried interest, management and other fees to any such Companion Fund. Subject to the below discussion, co-investments between the Fund, on the one hand, and any Companion Fund, on the other hand, are generally expected to take place in accordance with any number of factors and/or other considerations as set forth in MFG's investment allocation policy, as such policy may be updated from time to time. Any such co-investment between the Fund and the Companion Funds generally shall be made on economic terms and conditions and at the investment level, substantially equivalent to, and, subject to any permitted syndication period, at substantially the same time, as such other vehicle, and the applicable vehicles shall sell or otherwise dispose of their interests in any portfolio company concurrently, in a like proportion and on substantially equivalent economic terms and conditions (at the investment level), except (a) with the consent of the Advisory Board; (b) where otherwise provided or reasonably required due to differing legal, tax, regulatory, accounting and/or other similar considerations governing investments by the Fund, on the one hand, and the applicable Companion Funds on the other; or (c) if MFG determines that a sale or disposition by the Fund or the Companion Funds at the same time would not be in the best interests of the Fund or the Companion Funds.



*Separate Accounts*

MFG may manage assets for one or more advisory clients through a separate account or similar arrangement employing an investment strategy investing in parallel with, or similar to, the strategy of the Fund, its portfolio companies and their subsidiaries. Such arrangements may afford those clients different terms than the Limited Partners with respect to fees and expenses, subscription, withdrawal and redemption rights and the content and frequency of reports. Advisory clients that have been granted additional access to portfolio information or enhanced transparency may be able to make investment decisions based on information and at times not generally available to other investors, including Limited Partners. Any such investment decisions made by these advisory clients on the basis of such information, including substantial withdrawals or redemptions, could adversely affect the market value of the Fund's portfolio and therefore the value of the interests in the Fund.

*Strategic Partnerships*

MFG may establish, Other MFG Vehicles or programs with one or more investors (i) that are advised or managed on a discretionary or non-discretionary basis by MFG or one or more of its affiliates and (ii) that commit, contribute, allocate or co-invest significant capital to (or in) a range of platforms of products, investment ideas and asset classes made available by MFG, including the strategy of the Fund, its portfolio companies and their subsidiaries ("Strategic Partnerships"). Such arrangements may include the The Firm granting certain preferential terms to such investors, including preferential co-investment relationships with such investors, which may provide for such investors to be offered certain co-investment opportunities on a priority basis and/or on preferential terms when such opportunities arise.

*General Partner's Carried Interest and Management Fees*

The fact that the General Partner's carried interest is based on a percentage of net profits creates an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Fund has a fixed investment period after which capital from Limited Partners generally can only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of the Fund, calculated based upon the amount of capital invested by the Fund, the Management Fee structure creates an incentive for the General Partner to deploy capital when it might not otherwise have done so.

*Transaction Fees*

Because the General Partner and its affiliates are permitted to retain certain transaction fees, monitoring fees and similar "Transaction Fees" as set forth in the Partnership Agreement in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, such Transaction Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of such Transaction Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. In certain circumstances, the General Partner expects that co-investors, lenders, consultants or other parties from time to time will negotiate the right to share a portion of such Transaction Fees from a particular investment, and any Management Fee offset percentage will be applied after excluding any amounts paid to such persons. Additionally, the General Partner, its personnel, its affiliates or others designated by the General Partner (including Operations Group members and other service providers) expect from time to time to receive compensation in the form of portfolio company

securities. To the extent any such securities are received, after any applicable offset provisions in the Partnership Agreement are applied, the The Firm and/or such other recipients will be permitted to retain such securities as Transaction Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the General Partner) or retain such securities for a period consistent with their own financial and investment objectives, which could differ from those of the Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting the Fund's relative ownership of the portfolio company awarding such compensation.

#### *Placement Agents*

The General Partner reserves the right to engage one or more placement agents or other financial advisors to identify investors for the Fund or to satisfy regulatory requirements specific to the marketing of interests in a particular jurisdiction. To the extent that any such placement agent receives compensation for the offering of interests in the Fund, such placement agent's relations with the Fund may conflict with the interests of prospective investors. Placement fees payable to any placement agent, if any, in connection with the formation of the Fund, shall ultimately be borne by the General Partner.

#### *Service Provider Relationships*

Over the life of the Fund, the General Partner generally expects to exercise its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) the General Partner (or an affiliate, which could include Operations Group members and/or other portfolio companies of the Fund and any Other MFG Vehicles) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or any of its affiliates or current or former members of their personnel has a relationship or from which such persons derive a financial or other benefit, including joint-venturers or co-venturers, or relationships where MFG personnel are seconded, or from which MFG receives secondees; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. For example, the General Partner will potentially from time to time initiate transactions or service agreements between two or more portfolio companies of the Fund and/or other funds or vehicles managed by the General Partner or the The Firm, and is authorized to engage certain Limited Partners or their affiliates that are engaged in lending or other businesses to provide financing and/or other services in connection with the Fund's investments. In addition, one portfolio company may provide goods or services to another portfolio company, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio company at a rate higher than could be obtained by such portfolio company on the open market, or conversely, result in a portfolio company providing services to another portfolio company at a discounted rate. The General Partner may also enter into a services agreement (or multiple services agreements) with third parties that are or may become Limited Partners in which such Limited Partners or their affiliates would provide services to the Fund and its portfolio companies in exchange for certain fees. While such an arrangement (or arrangements) is expected to subject the General Partner to conflicts of interest in utilizing the service provider, the General Partner believes such arrangement (or arrangements) would be beneficial in providing favorable service rates for the benefit of the Fund and its portfolio companies. The foregoing subjects the General Partner to potential conflicts of interest, because although it intends to initiate transactions and select service

providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the General Partner has an incentive to recommend the related or other person because of its financial or business interest, including a person's historical or potential future relationship with the General Partner and/or the investment (or amount of investment) to be made in the Fund by such person. Additionally, there is a possibility that the General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, the Fund or other investment vehicles sponsored by the General Partner or its affiliates), could favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Due to these and other similar factors, the General Partner will not necessarily seek out the lowest cost options when incurring (or causing the Fund or its portfolio companies to incur) such expenses. Although the General Partner generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In any instance where the General Partner commits or has committed to seek "market" or "arms-length" rates or terms, the General Partner will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, the General Partner undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets or services to which such rates or terms relate. Where such rates or terms include hourly components, the General Partner reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the General Partner has a relationship with or receives a 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.

In certain circumstances, current or former The Firm personnel also are permitted to serve in interim or part-time roles at portfolio companies, or will provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at the The Firm. Under such arrangements, the relevant portfolio company generally will pay all or a portion of the compensation and benefits in respect of such employees (including salary, bonus, insurance benefits and paid time off) which will not offset or otherwise reduce the Fund's Management Fee, or may supervise or oversee such employees. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by the The Firm as overhead in respect of those personnel would be borne by the portfolio company when they are secondees or other portfolio company personnel. Therefore, the The Firm has an incentive to cause its employees to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to portfolio companies. As secondee arrangements are often initiated to meet temporary portfolio company needs, they are expected to change over time, and in many cases will be ended by the The Firm when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis, at which point the secondees may or may not return to the The Firm. It is possible that certain The Firm personnel will serve as secondees or other personnel with respect to multiple portfolio companies and perform services that directly or indirectly benefit the The Firm while serving as secondees or other portfolio company personnel.

Personnel of the General Partner and/or the The Firm also have the ability to serve, and expect from time to time in the future to serve, as members of boards of directors of companies not related to the The Firm, and to have investments in such companies. Such companies may be in the same industry as the

Fund expects to invest in, and have the potential to compete with portfolio companies of the Fund. In such cases, such persons are expected to be subject to fiduciary and other obligations to the relevant companies, in addition to fiduciary obligations owed to the Fund. It would be expected that the interests of a competitor company would not be aligned with those of the Fund or the Fund's portfolio companies. This will potentially result in a conflict between the relevant individual's obligations to a portfolio company or competing company and the interests of the Fund. In some circumstances, having such individuals serve as directors, board members or interim executives of a portfolio company of the Fund or another company is likely to restrict the ability of the Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

The Firm personnel are also permitted to serve on boards or act in other roles including for charitable and educational institutions, trade groups and industry associations. Subject to any limitations in the Partnership Agreement, personnel of the General Partner and/or the The Firm are expressly authorized to carry on investment activities for their own account and for family members, friends or others who do not invest in the Fund, whether or not through a formal family office or estate planning structure, and will potentially give advice and recommend securities to vehicles which will differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives are the same or similar. Such persons are also permitted to have capital investments in or alongside the Fund, or in prospective portfolio companies. Such investments also may be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industry as the Fund invests. Such personnel also potentially will pay or receive compensation relating to these arrangements.

The General Partner, its affiliates, and equity holders, officers, principals and employees of the General Partner and its affiliates reserve the right to buy or sell securities or other instruments that the General Partner has recommended to the Fund. In addition, the General Partner's officers and principals reserve the right to buy securities in transactions offered to but deemed unsuitable for the Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Partnership Agreement and any related policies and procedures of the The Firm. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of the Fund. Employees and related persons of the General Partner are permitted to have capital investments in or alongside the Fund, or in prospective portfolio companies, directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the General Partner reserves the right to accrue, defer or forego payments of Transaction Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Partnership Agreement, Limited Partners will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received. For the avoidance of doubt, the General Partner also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

From time to time the General Partner and its affiliates and personnel and persons selected by them are permitted to receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Fund under which such portfolio companies make their goods and/or services available at

reduced rates. Discounted prices or better terms offered by a portfolio company to the General Partner, any other portfolio company, or third parties have the potential to affect the returns of the portfolio company.

The General Partner reserves the right to institute a program under which portfolio companies owned by the Fund and Other MFG Vehicles are given the option to participate in purchasing, vendor or similar arrangements with other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a group wide basis. The General Partner expects to allocate any fees and third-party administration costs for the program among the relevant vehicles and portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. The General Partner and its affiliates reserve the right to also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will offset or reduce the Management Fee. The General Partner believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Fund) that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market.

As with other private equity fund sponsors, as part of the The Firm's business, the Principals, the The Firm and its employees have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of the The Firm or prior firms of the Principals. Certain of these third parties are expected, from time to time, to: (i) introduce investment opportunities to the The Firm; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) solicit investors for the Fund or Other MFG Vehicles; and/or (vi) provide investment banking, consulting, legal or advisory services to the The Firm, such funds and/or portfolio companies. Such third parties are also expected, from time to time, to provide goods or services to or have business, personal, political, financial or other relationships with the Principals, and to provide gifts and entertainment to The Firm personnel in respect of services provided to the Fund or its portfolio companies even though the Fund and portfolio companies bear such service provider costs. In addition, such third parties are permitted to invest in MFG or one or more The Firm funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to the The Firm, its funds, investment vehicles and/or their portfolio companies. These relationships have the potential to influence the General Partner and the The Firm in deciding whether to select or recommend any such third-party to perform services for the Fund or a portfolio company. The cost of any services provided by such third parties generally will be borne directly or indirectly by the Fund or its portfolio companies, as applicable.

#### *Other Benefits*

In connection with its services to the Fund and its investments, the The Firm and its personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the The Firm's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the The Firm and its personnel expect to receive and benefit from information, "knowhow," experience, analysis and data relating to Fund or portfolio company (as applicable)

operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “MFG Information”). In many cases, MFG Information will include tools, procedures and resources developed by the The Firm to organize or systematize MFG Information for ongoing or future use. Although the The Firm expects the Fund and its portfolio companies generally to benefit from the The Firm’s possession of MFG Information, it is possible that any benefits will be experienced solely by portfolio companies and not by the Fund or the portfolio company (or by the The Firm and its personnel) from which MFG Information was originally received or derived. MFG Information will be the sole intellectual property of the The Firm and solely for the use of the The Firm. The The Firm reserves the right to use, share, license, sell or monetize MFG Information, without offset to Management Fees, and the Fund and/or its portfolio companies will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Fund or its portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Fund or its investors; no such rewards will offset or otherwise reduce the Management Fee.

#### *Products or Services Received by MFG From Portfolio Companies*

From time to time, certain portfolio companies are expected to provide MFG and its affiliates with products or services that such portfolio companies regularly produce or provide as part of their business operations at reduced rates or without charge.

#### *Operations Group and Certain Consultants*

The General Partner expects to employ, retain or otherwise engage, on behalf of the Fund (including any alternative investment vehicle) and/or the portfolio companies, as applicable, certain persons, including the Operations Group and its members (including operating executives, executive networks (including CEO advisors, industry advisors and functional advisors)), third-party consultants, operating advisors, strategic partners, operating partners, executive partners and/or other similar professionals and consultants (“Operating Partners”), which could be affiliates of the General Partner, employees of such affiliates (including a company owned by personnel of the The Firm and/or the The Firm or its affiliates), employees of the The Firm and/or portfolio companies of Other MFG Vehicles, third-party consultants (including individual Operations Group members, consultants and external executives), “strategic partners,” “executive partners” or “senior advisors.” The Operating Partners are expected to regularly provide services to, or in connection with, the Fund in relation to its activities, or to one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies (“Services”), and are expected to serve on boards of directors or similar governing boards of portfolio companies and provide other services as described in this brochure. There can be no assurance that Operating Partners, including Operating Group members, will be exclusive to the General Partner and in some cases will not be exclusive.

Pursuant to the Partnership Agreement, fees and expenses associated with the Services (collectively “Fees and Expenses”) typically will be paid and/or reimbursed by applicable portfolio companies and/or the Fund, and Fees and Expenses do not offset the Management Fee. Fees and Expenses can include cash



fees, retainers, salaries, bonuses (whether or not based on predetermined milestones), guaranteed payments, incentive equity, stock awards or other non-cash compensation related to the Fund and/or its portfolio companies, and benefits and personnel costs (including employee benefits, payroll taxes, insurance, paid time-off and office space), profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operating Partner, which could be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operating Partner, 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. Operating Partners and Operations Group members will also be permitted to receive office space, business cards, email addresses and other benefits and may make use of other The Firm resources, and other Operating Partners may receive such benefits from time to time. Additionally, the General Partner and/or portfolio companies are permitted to provide opportunities for the Operating Partners to invest in such portfolio company and reimburse costs and expenses incurred by the Operating Partners. The Operating Partners also are permitted to receive remuneration from the General Partner and/or the Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to the Operating Partners will not offset the Management Fee, and the use of Operating Partners is expected to fluctuate and/or expand over time. To the extent Operating Partners are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or the Fund will bear a greater share of such compensation due to the utilization of the Operating Partner's services at a time when fewer of the Other MFG Vehicles and their respective portfolio companies make use of such Operating Partners. The Operating Partners are permitted to have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds or other vehicles sponsored by the General Partner or its affiliates (including Other MFG Vehicles) or in an affiliate of the General Partner. The General Partner will face potential conflicts of interest in determining the allocation of Fees and Expenses. For example, the General Partner generally will not be allocated Fees and Expenses that relate to services performed by Operating Partners for the Fund and/or portfolio companies or prospective portfolio companies. However, these services also have the potential to provide a direct or indirect benefit to the General Partner and/or its affiliates including Other MFG Vehicles. Therefore, the General Partner has an incentive to classify a particular service as being for the Fund and/or a portfolio company or prospective portfolio company, even though it may directly or indirectly benefit the General Partner and/or its affiliates, in whole or in part. The allocation of Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by the General Partner.

Similarly, the The Firm reserves the right to designate Operations Group members in its sole discretion, and has an incentive to do so in order to shift costs to the Fund and/or its portfolio companies that would otherwise be borne by the The Firm or its affiliates as overhead. In some cases, The Firm personnel will be designated as Operations Group members on a temporary basis or with respect to services they perform that are of the type described herein for the Operations Group (e.g., if persons will focus on both investment and Operations Group initiatives). In doing so, the The Firm faces a conflict in determining the extent to which the Fund or its portfolio companies bear the related fees and expenses, since fees and expenses borne by the Fund and/or its portfolio companies would reduce the costs that the The Firm would be required to bear. Such determinations involve inherent matters of discretion by the The Firm and as described above, the The Firm has the potential to derive benefits from the services provided by such personnel in their capacity as Operations Group members.

Although the General Partner intends to utilize Operating Partners with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors could result in limited or no cost savings from such retention. As a general matter, there can be no assurance that the services rendered by the Operating Partners and Operations Group members will be effective and result in Fund returns. Moreover, the The Firm and/or its affiliates only anticipate employing, engaging or retaining Operating Partners that they believe provide services that will create value, while providing them with competitive fees and expenses and other benefits commensurate with their experience and perceived ability to create value. In addition, the General Partner intends to utilize only such Operating Partners 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, and the General Partner does not undertake any benchmarking against other service provider rates.

#### *Possibility of Fraud or Other Misconduct of Employees and Service Providers*

Misconduct by (i) employees of the The Firm, (ii) portfolio company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of the Fund and/or the General Partner and cause significant losses to the Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the Fund. The The Firm has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

#### *Unfunded Pension Liabilities of Portfolio Companies*

In at least one circuit, a court found that, in certain circumstances, an investment fund could be treated as a "trade or business" for purposes of determining pension liability under ERISA. Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a portfolio company, such investment fund (and any other 80%-owned portfolio companies of such investment 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. The Fund is permitted, from time to time, to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statutes and regulations regarding control group liability under ERISA, as in effect as of the date of this brochure, which may change in the future as the case law and guidance develops.

#### *Valuation of Assets*

Valuations are generally subjective in nature and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. While the General Partner

would determine the value of investments for which market quotations are available based on publicly available quotations, market quotations will likely be unavailable because among other things, There is not expected to be an actively traded market for most of the investments owned by the Fund. When estimating fair market 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 investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such investments and may differ from the prices at which such investments ultimately may be sold. There can be no assurance that the General Partner will have all of the information necessary to make valuation decisions in respect of such investments, or that any information on which such decisions are based will be correct. The exercise of discretion in valuation by the General Partner may give rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of the Management Fee.

#### *Co-Investments*

The General Partner reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, including the The Firm and other affiliates of the The Firm, The Firm personnel and/or certain other persons associated with the The Firm and/or its affiliates, Operating Partners (including members of the Operations Group), advisers and service providers, finders, portfolio company board of directors and management teams, other sponsors, strategic investors and market participants, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest have the potential to arise in the allocation of 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 Fund or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, including with respect to allocating a particular investment to and among potential co-investors and determining the terms thereof, the General Partner (including any committee or sub-committee formed by the General Partner to evaluate and/or determine the allocation of co-investment opportunities) reserves the right to consider some or all of a wide range of factors (some or all of which may benefit the General Partner or its affiliates), including, but not limited to: (i) the size and financial resources of a potential co-investment party and the ability of that person or entity to effectively and expeditiously participate in the co-investment opportunity; (ii) any confidentiality concerns that the The Firm or the General Partner may have that arise in connection with providing a potential co-investment party with specific information relating to the co-investment opportunity; (iii) the past experiences of the The Firm and the General Partner with a potential co-investment party; (iv) the General Partner's evaluation of whether the co-investment opportunity may subject a potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that such potential co-investment party would act upon the co-investment opportunity if offered; (v) the General Partner's evaluation of whether a potential co-investment party is able to provide strategic perspectives and/or credibility or otherwise add value to the investment at the operational level; (vi) the investment parameters of the Fund and potential co-investment parties (including, for the avoidance of doubt, Other MFG Vehicles), including initial and potential follow-on investment size limitations (minimum and maximum, individually and in the aggregate), industry limitations/preferences, geographic limitations/preferences and tax attributes of the transaction structure; (vii) the concentration of the Fund's and a potential co-investment party's investments and consistency with any applicable investment program; (viii) a potential co-investment party's commitment

to provide other capital (debt or equity) to the transaction; (ix) the terms of the required equity commitment with respect to the transaction (e.g., full equity commitment, commitment for allocable portion of expenses, including, if applicable, reverse termination fees, etc.); (x) the willingness of a potential co-investment party to share broken deal costs, including, if applicable, reverse termination fees, with the Fund and other potential co-investment parties; (xi) the expertise and/or experience of a potential co-investment party in the industries and/or markets in which the portfolio company operates or intends to operate and/or other strategic benefits to the portfolio company; (xii) the anticipated timing of the transaction and the investment commitment process of the potential co-investment parties (e.g., the ability of a potential co-investment party to meet the required process deadlines, including its ability to deliver a funding commitment satisfactory to the General Partner); (xiii) the level of diligence completed and/or the certainty of closing the transaction upon terms indicated to potential co-investment parties; (xiv) the relationships of potential co-investment parties with other parties related to the transaction that may increase the likelihood of completing and/or improving the terms of the transaction; (xv) the allocation and/or offer of prior co-investment opportunities to potential co-investment parties (both in terms of the number of opportunities and dollar amounts), including those that closed and those that did not close; (xvi) the nature and extent of rights required by potential co-investment parties (e.g., minority rights); (xvii) the potential impact on the transaction or any related bid process as a result of having one or more co-investment parties; (xviii) any contractual obligations of the General Partner to offer co-investment opportunities to potential co-investment parties; and (xix) other factors that the General Partner considers important in connection with the specific transaction or investment. Furthermore, the General Partner reserves the right to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a co-sponsor. Additionally, from time to time, certain service providers (e.g., lenders) are expected to seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to the The Firm, the Fund or a portfolio company in connection with the services provided. Co-investment opportunities typically will be offered to some and not to other Limited Partners, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. The General Partner's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investors to the Fund, any Other MFG Vehicle or any other co-investment vehicle, and such allocations generally will be more or less advantageous to some persons or entities than to others.

Allowing any co-investment generally reduces the amount of the relevant investment opportunities that theoretically could have been taken by the Fund, and MFG expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties and (ii) co-investors' proportionate share of Transaction Fees paid in respect of a particular investment typically is not subject to the Management Fee offset provisions of the Partnership Agreement. The General Partner reserves the right, in its sole discretion, to charge a management fee and/or obtain a carried interest in respect of any co-investment. As a result of the fact that co-investments alongside the Fund will not be made through the Fund, any fees or other co-investor related compensation (including fees of the type included in the definition of "Transaction Fees") received in connection with co-investments will not arise out of the investment activities of the Fund or actions taken directly or indirectly by the The Firm on behalf of the Fund and, therefore, none of such fees or other co-investor-related compensation will offset or otherwise reduce the Management Fee or carried interest. Any such fees may be retained by the General Partner and/or any of its affiliates.

In order to facilitate the acquisition of a portfolio company, the Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the Fund will bear the risks that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risks that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given instrument while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

For the avoidance of doubt, the General Partner reserves the right, in its sole discretion, to structure any co-investment opportunity such that the proposed participants in such co-investment opportunity do not bear any broken deal expenses, with the result that the Fund will bear all such broken deal expenses. In most cases, the General Partner does not expect that proposed participants in co-investments will bear broken deal expenses. Consequently, the Fund is expected to bear all such broken deal expenses. In addition, to the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility and co-investors will not have any obligations under such facility.

In the event that a transaction in which a co-investment was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket fees (including any break-up fees), costs and expenses relating to such unconsummated transaction are expected to be borne by the Fund, and not by any potential or expected co-investors, subject to any restrictions set forth in the Partnership Agreement.

In addition, from time to time, the General Partner in order to consummate a transaction or facilitate the acquisition of a portfolio company and ensure the Fund is afforded an investment opportunity or otherwise, may cause the Fund to fund (or commit to fund) on behalf of certain co-investors with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. The Fund may or may not receive compensation for such activities. If the Fund does not find co-investors and/or in the event that the co-investors breach their covenant to purchase the investment from the Fund, the Fund will have an allocation to an investment that is larger than originally anticipated. In addition, the Fund will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms. If the excess portion of such investment has not been sold, the Fund may bear the entire portion of any other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company and could realize lower than expected returns from such investment.

#### *Third-Party Involvement*

The Fund is permitted to co-invest with third parties through partnerships, joint ventures, overage funds, other specialized investment vehicles for other entities or arrangements, thereby acquiring less than 100%

of the ownership interests in certain investments. Such investments have the potential to involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Fund and such co-venturers may reach an impasse on a major decision that requires the approval of multiple parties; (ii) the co-venturers or partners may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturers or partners may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturers or partners may be in a position to take action contrary to the Fund's investment objective; (v) the co-venturers or partners may take actions that subject the investment to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. There can be no assurance that the Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

#### *Contingent Liabilities Upon Disposition*

In connection with the disposition of an investment, the Fund and/or the General Partner generally expects to be required to make (and/or be responsible for another person's or entity's breach of) certain representations and warranties (e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses) and be responsible for the content of certain disclosures under applicable securities laws. The Fund and/or the General Partner also expect to be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosures are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, its investors. In such a situation, Limited Partners may be required to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the Partnership Agreement. Furthermore, under the Partnership Act, each Limited Partner that receives a distribution in violation of the Partnership Act will, under certain circumstances, be obligated to recontribute such distribution to the Fund.

#### *Limited Access to Information*

The Limited Partners' rights to information regarding the Fund, the General Partner or the The Firm generally will be specified, and in many cases strictly limited, by the Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to the Fund's investments that will not be disclosed to the Limited Partners because such disclosure is prohibited, among other reasons, including as a result of contractual, legal or similar obligations outside of the The Firm's control. Decisions by the The Firm or its affiliates to withhold information may have adverse consequences for the Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in the Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor the Fund and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on the Advisory Board generally may, by virtue of such participation, have more or earlier information about the Fund and its portfolio companies in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Fund succeeds in asserting confidentiality for requested



documents and other materials, and the The Firm reserves the right to withhold certain information from investors subject to such laws for reasons relating to MFG's public reputation, business strategy or other reasons.

#### *Employee Investors*

Certain of MFG's employees and personnel are expected to invest in the Fund as part of the General Partner's commitment to the Fund. Subject to applicable law, the terms of an investment by an employee are permitted to differ from, and be more favorable than, those of an investment by an external Fund investor. For example, employee investors often are not subject to a management fee and/or carried interest with respect to their investment, generally will receive information regarding investments at different times than other Limited Partners and benefit from different credit facility arrangements than the Fund.

#### *Cybersecurity Risks*

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, the Fund, the General Partner, MFG or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, the Fund and/or portfolio companies may incur significant 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, the Fund's, a portfolio company's and/or a service provider's operations, including the ability to make distributions to Limited Partners, 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). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the General Partner or one of its affiliates or service providers holding its financial or investor data, the General Partner, its affiliates or the Fund may also be at risk of loss despite efforts to prevent and mitigate such risks under the The Firm's related policies and practices.

*Agreements with Certain Investors*

The Fund and/or the General Partner expect to enter into one or more side letters or other similar agreements with certain Limited Partners in connection with such Limited Partners' admission to the Fund without the approval of any other Limited Partner, which would have the effect of establishing different or preferential rights or terms under, altering or supplementing the terms (including economic terms) of, or confirming the interpretation of an applicable Fund document (including the Partnership Agreement and any related subscription agreement) with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners, and such rights may be significant. Such rights, terms or confirmations in any such side letter or other similar agreement may include, without limitation, (i) excuse, exclusion or withdrawal rights applicable to particular investments or Limited Partners (which may increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, certain investments); (ii) information rights or specialized reporting obligations of the General Partner; (iii) certain disclosure rights or waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such Limited Partner; (v) priority co-invest rights or targeted co-investment amounts; (vi) different fee structures (included discounted or rebated compensation terms); (vii) additional confidentiality or "use of name" protections; (viii) the right to disclose certain information to underlying investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such Limited Partner; (including the right to withdraw from the Fund), (xii) investment pacing restrictions; (xiii) limits on indemnification; (xiv) rights relating to the appointment of a representative to serve on the Advisory Board; (xv) liquidity rights; (xvi) modified waterfall mechanics; or (xvii) certain other terms whether economic, procedural or otherwise. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Other MFG Vehicles, in addition to the Fund.

The General Partner is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners (e.g., based on commitment amount to the Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to the General Partner, its affiliates and personnel, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, its affiliates and personnel, or Other MFG Vehicles). Except where required by the Partnership Agreement, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against the Fund, the General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side Letters subject the General Partner to potential conflicts of interest, including in circumstances where an investor's right to serve on the Advisory Board results in a Limited Partner receiving additional information relative to other Limited Partners. To the extent a Limited Partner is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other Limited Partners may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more Limited Partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although the General Partner believes it to be unlikely, excuse rights requested or received by one or more Limited Partners (or such regulatory, tax or other factors applicable to such Limited Partners) representing a substantial percentage of the Fund have the potential to create significant variations in Limited Partner investment returns, or to influence or affect

the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the Fund as a whole. A Limited Partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Partnership Agreement; conversely, a limitation on one or more Limited Partners' voting rights generally will increase the voting rights percentage of other Limited Partners in the Fund. Further, Limited Partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below the Fund.

#### *Disclosure of Confidential Fund and Investor Information*

The Limited Partners are expected to include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding the Fund, its investments and its investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. The Fund is permitted to incur expenses in connection with responding to any such disclosure requests, even if the Fund ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the Limited Partners will have pursuant to the Partnership Agreement to maintain the confidentiality of the Fund information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. The General Partner also reserves the right, in certain circumstances, in an effort to protect any such potential disclosure, to withhold all or any part of the information otherwise to be provided to such a Limited Partner, as more fully described in the Partnership Agreement. There can be no assurance that such information will not be disclosed by the Fund, the General Partner, the The Firm, their respective affiliates and personnel, portfolio companies or services providers to any of them including, without limitation, to comply with laws, regulations or policies to which they are or may become subject. In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers, such as the The Firm, to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of the Fund information could have an adverse effect on the Fund and its investors, for example, by affecting the Fund's competitive advantage in finding attractive investment opportunities.

#### *Use of Alternative Investment Vehicles*

The General Partner has the authority to structure the making of, or restructure, a portfolio company or any portion thereof (or the holding thereof if after the initial consummation of such portfolio company) outside of the Fund by requiring any or all of the Partners to make such investment directly or indirectly through one or more alternative investment vehicles. The Partners will bear the expenses of any such alternative investment vehicles. The structural attributes of certain alternative investment vehicles may result in divergent return characteristics for certain Limited Partners. For example, the General Partner may elect to structure an alternative investment vehicle that may result in favorable tax treatment for one set of Limited Partners but less favorable tax attributes for another.

#### *Long-Term Investments; Continuation Vehicles*

The General Partner reserves the right to propose that one or more of the Fund's portfolio investments be held for longer than the then-current term of the Fund either by the Fund or using one or more special

purpose vehicles formed outside of the Fund. Certain risks that are generally associated with an investment in a private equity fund may be heightened and magnified. For instance, portfolio companies that are held for a longer period of time may be more likely to experience employee and/or management turnover during the holding period with respect thereto as compared to many other private equity funds. The General Partner may be more incentivized to make portfolio investments with the view of holding such investment for a longer period of time and accordingly, may make investments that it believes may not meet the target returns of the Fund if it did not have the flexibility to hold such portfolio companies for a longer period of time. While Limited Partners will likely have the option to elect to have their interests in such investments disposed of by the General Partner, the value of such investments at the time of disposition may be materially less than if the General Partner had not made and/or held such investment with the view of such investment having a longer holding period. Additionally, Limited Partners that elect to continue to hold a direct or indirect interest in such investments will have their interest attributable thereto adjusted as if distributed (i.e., a portion of such interest will be allocated to the General Partner to the extent of its right to receive carried interest, if any), thereby diluting their interests in such investments. Such Limited Partners that elect to continue to hold an interest in such investments may also be subject to management fees and carried interest for a longer period and/or in a greater aggregate amount than if such investments were not held for such longer period of time.

In addition, although the valuation of any such investment will generally be based on a third-party valuation, valuations are inherently subjective in certain respects and rely on a variety of assumptions. Furthermore, valuations are based in large part on information as of the applicable period, and market conditions may change materially after that date. Accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal. In addition, the process of valuing portfolio investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such portfolio investments and may differ from the prices at which such portfolio investments ultimately may be sold. As such, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. Accordingly, such values may not accurately reflect the actual market values of the investment, and, thus, investors may make decisions as to whether to continue to hold an interest in an investment without complete and accurate valuation information. As a result, the valuation of such an investment and the distributions to each of the Fund's partners, including the General Partner, may not accurately reflect the fair value of the interests.

#### *Electronic Delivery of Certain Documents*

Pursuant to the subscription agreement entered into by a Limited Partner, a Limited Partner will consent to electronic delivery (including email, facsimile or posting on the Fund's web-based investor reporting site or other internet service in accordance with the Partnership Agreement) of (i) any notices or communications required or contemplated to be delivered to such Limited Partner by the Fund, the General Partner or any of their respective affiliates pursuant to applicable law or regulation (including the Advisers Act), at the option of the person making such delivery, and (ii) capital call notices, other notices, requests, demands, consents and communications; and financial statements, reports, schedules, certificates or opinions required to be provided to such Limited Partner under the Partnership Agreement or under any side letter or other similar agreement with such Limited Partner. There are certain costs and possible risks (e.g., system outages) associated with electronic delivery, and there can be no assurance that any electronic delivery method is secure. Moreover, the General Partner cannot provide any

assurance that these communication methods are secure and will not be responsible for any computer viruses, problems, malfunctions, information theft or other problems that may be associated with the use of electronic delivery in connection with the Fund's activities.

#### *HSR Act Regulation and Enforcement*

The growth of the private equity industry and the increasing size and reach of private equity transactions has prompted additional governmental attention to the industry and its practices. Acquisition by the Fund of equity securities may result in reporting and compliance obligations under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). Compliance with the HSR Act could significantly delay the closing of a transaction, lead to deal abandonment, increase the cost of operating the Fund, and/or infringe upon the ability of the Fund to engage in certain transactions.

#### *Pay-to-Play Laws, Regulations and Policies*

A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to, and/or certain contacts with, certain officials by persons and entities seeking to do business with such governmental entities, including those seeking investments by public retirement funds. In addition, the SEC has adopted a rule that, among other things, prohibits an investment adviser from providing advisory services for compensation to a government client for two years after such investment adviser or certain of its executives or employees makes a contribution to certain elected officials or candidates. If MFG, the General Partner, any of their respective employees or affiliates, or any service provider acting on their behalf fails to comply with such laws, regulations or policies, such non-compliance may have an adverse effect on the Fund. Limited Partners may also seek to pursue individual remedies, including withdrawal rights, which may be included in side letters or other similar agreements or otherwise imposed by applicable law, regulation or policy.

#### *Financial Institution Risk; Distress Events*

An investment in the Fund is subject to the risk that one of the banks, brokers, hedging counterparties, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. If a Financial Institution experiences a Distress Event, the The Firm, the Fund or one of its portfolio companies may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impacts on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the General Partner to manage the Fund and its investments, and on the ability of the General Partner, the Fund and any portfolio company to maintain operations, which in each case could result in significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, or acquire or dispose of such investments at prices that the General Partner believes reflect the fair value of such investments; and the inability of portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Fund or a portfolio company will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital, or otherwise). Although the General Partner expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Fund and its portfolio companies are subject to similar risks if a Financial Institution utilized by investors in the Fund or by suppliers, vendors, service providers or other counterparties of the Fund or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on the Fund.

Many Financial Institutions require, as a condition to using their services (including lending services), that the The Firm, the General Partner and/or the Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. The General Partner is under no obligation to use a minimum number of Financial Institutions with respect to the Fund or to maintain account balances at or below the relevant insured amounts.

#### *Secondaries and other General Partner-Led Transactions*

There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments, and MFG reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by MFG following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to Limited Partners and maintaining exposure to an asset where MFG believes there is the potential for additional value generation. Where undertaken, Limited Partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from Other MFG Vehicles), often on different terms than the original investment. However, certain of such transactions are expected to require: a Limited Partner to invest additional capital in the Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio company; and/or a delay in the full liquidation of its investment. In other circumstances, even Limited Partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests. Each of these transactions has the potential for conflicts between the interests of the Fund or Limited Partner and those of MFG or any buyer



group that typically are not applicable to more traditional investment sales. For example, in circumstances where MFG or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the General Partner on the sale of an asset from the Fund in such transaction), their incentives are expected to diverge from those of Limited Partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, MFG, the General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. To the extent MFG requires Limited Partners and/or new buyers to commit capital to a continuation fund or another fund managed by MFG in addition to the purchase amount paid in a transaction, such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its Limited Partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Fund investment(s) being sold. Further, the General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as Limited Partners in the Fund, and in such circumstances MFG reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Limited Partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to Limited Partners and/or the Advisory Board prior to the closing of the transaction, there can be no assurance that MFG will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of the Fund or any individual Limited Partner or group of Limited Partners. However, MFG reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the Partnership Agreement. MFG is permitted to seek the consent of the Advisory Board to approve conflicts associated with such transactions and accordingly not all Limited Partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

**Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Firm's advisory business or its management.

**Item 10. Other Financial Industry Activities and Affiliations**

The Firm acts as the investment adviser to the Funds, and the MFG GP will serve as the general partner to certain Funds. The MFG GP and equivalent entities formed are subject to the U.S. Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Advisers Act") pursuant to the Firm's registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Firm and will serve as managers and general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

**Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***Code of Ethics Overview*

The Firm has adopted a Code of Ethics, which is designed to help ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, the Firm's Code of Ethics sets forth standards of conduct for its employees to ensure that they conduct their business on the Firm's behalf in a manner that enables the Firm to fulfill its fiduciary duty to its clients.

Among other things, the Firm's Code of Ethics: (i) governs personal trading by the Firm's employees, (ii) contains the Firm's policies with respect to gifts and entertainment and (iii) contains the Firm's policies regarding certain outside activities of its employees, and set forth the manner in which employees may report violations of law or the Firm's policies and procedures. The Firm will provide a copy of its Code of Ethics to any client (including any investor therein) or prospective investor upon request.

*Personal Trading Policy*

Employees are required to obtain pre-clearance from the Firm's Chief Compliance Officer (the "CCO") prior to engaging in any transactions in (i) private placements or limited offerings, and (ii) initial public offerings. Additionally, employees are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts. The Firm's policies relating to personal trading generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

*Participation or Interest in Client Transactions*

The Firm makes available to qualified prospective investors the opportunity to invest in the Funds. The Firm expects that its Partners will have significant personal investments in the Funds. In addition, the Firm expects the MFG GP, its affiliate, to be entitled to receive carried interest from the Funds.

The Firm will not engage in a principal transaction unless it has determined that the transaction is in the relevant clients' best interests and has obtained client consent in accordance with the Firm's written procedures and applicable law.

**Item 12. Brokerage Practices***Selection of Brokers*

The Firm's advisory business generally involves privately-negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With respect to such private transactions, the Firm believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

If, in the future, the Firm's clients purchase, sell or distribute publicly-traded securities through a broker-dealer, the Firm will seek "best execution" in selecting a broker-dealer to execute such transactions, taking into account a number of factors, which may include, among others, execution capability, execution quality, commission rate, financial responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities, reputation and integrity, reliability in keeping

records, responsiveness, and with respect to a particular trade, the timing and size of the order, available liquidity and market conditions.

*Research and Other Soft Dollar Benefits*

The Firm does not currently have any formal soft dollar arrangements.

*Brokerage for Client Referrals*

The Firm does not anticipate directing client brokerage business to brokers for the purposes of such brokers referring prospective investors to the Firm.

*Aggregation of Orders*

It is not the Firm's expected practice to aggregate orders for the purchase or sale of securities, as the Firm generally does not expect to purchase securities for multiple Funds concurrently.

**Item 13. Review of Accounts**

*Review of Accounts*

Client portfolios are expected to be reviewed, and their performance analyzed, by the Partners on an ongoing basis. In addition, the Partners and the CCO are expected to review client portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines on an ongoing basis.

*Reporting*

In addition to the reporting below, investors may be provided with certain information about the Firm and the accounts that it manages in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by the Firm is sufficient for its needs.

The Firm furnishes investors in the Funds with periodic written unaudited performance reports as set forth in their Governing Documents. In addition, on an annual basis, the Firm provides investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, the Firm provides certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or the Firm (including notifications of redemptions from a Fund by the Firm and/or its personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

**Item 14. Client Referrals and Other Compensation**

The Firm does not expect that it will receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

The Firm utilizes a placement agent for investor referrals. The Firm pays the placement agent a fee for investor referrals, which is equal to a percentage of capital raised from each referred investor. This fee is not borne by any referred investor.

**Item 15. Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), the Firm will be deemed to have custody over the Funds’ funds and securities. The Firm complies with the Custody Rule, subject to certain exceptions set forth under the Custody Rule with respect to the Funds, which among other things, requires that: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds’ audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) the Firm delivers such annual audited financial statements to investors within 120 days after the end of each Fund’s fiscal year.

**Item 16. Investment Discretion**

The Firm has discretionary authority to manage securities and other investments on behalf of client accounts. The investors in the Funds generally will not be able to place any limits on the Firm’s authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, the Firm may contract with an investor to adhere to limited risk and/or operating guidelines imposed by such investor. The Firm would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

The Funds generally invest in private companies which typically do not issue proxies. Under certain limited circumstances, however, the Firm may be required to vote proxies solicited by its Funds’ portfolio companies. In these situations, the Funds will generally not be able to direct their votes in a particular situation.

The Firm will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, the Firm may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular client. The Firm may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer’s views and recommendations on such proposal, (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders’ concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure), and (iii) whether the Firm believes that the proposal will fairly compensate management for its and/or the issuer’s performance. If the Firm deems that the issue being voted upon is not material for the Firm and its clients or it determines that the cost of voting a proxy would exceed the expected benefit to the Firm’s clients, the Firm will not be obligated to vote on such matter.

Investors and prospective investors in the Funds may request information from us at [info@mfgpartners.com](mailto:info@mfgpartners.com). Upon the request by an investor, the Firm will disclose to such investor how it voted proxies for securities owned by the applicable client. The Firm will also provide a copy of its proxy voting policies and procedures to investors upon request.

**Item 18. Financial Information**

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, or have any other events requiring disclosure under this item of the Brochure.

The Firm has not been subject of a bankruptcy petition at any time during the past ten years.