

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

**MCP Advisers, LLC**

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March 30, 2024

**ITEM 1: Cover Page**

This brochure provides information about the qualifications and business practices of MCP Advisers, LLC ("MCP," "We," "Firm," or "Adviser"). If you have any questions about this brochure, please contact us at +1.404.304.6485 or by email at [RMason@GreenTrustPartners.com](mailto:RMason@GreenTrustPartners.com).

The information presented in this brochure was prepared by MCP Advisers, LLC which is solely responsible for the content. Neither the Commission nor any State securities regulator has approved or verified the information contained in this brochure, and the mere fact of registration with the Commission in no way implies that the Advisor has any particular level of skill or training to carry out its business. For specific questions about particular advisory services or products described in this brochure, you can find additional contact information at our website: <https://www.greentrustpartners.com/>.

Additional information about MCP Advisers, LLC also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2: Material Changes

This Firm brochure dated March 30, 2023, provides you with a summary of MCP Advisers, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. As this is the Firm's first annual update since the initial brochure filing on November 2, 2023, there have been no material changes to report.

### IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- An offer or agreement to provide advisory services to any person;
- An offer to sell interests (or a solicitation of an offer to purchase interests) in any MCP Fund;
- A complete discussion of the features, risks or conflicts associated with any MCP Fund;
- To be relied on in determining whether to invest or establish an advisory relationship.

As required by the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Firm provides this Brochure to clients and current and eligible prospective investors in a MCP Fund, together with other relevant Offering Materials (such as subscription agreements, offering memoranda, operating agreements, etc.), prior to, or in connection with, such persons' establishment or consideration of an investment in a MCP Fund.

Although this publicly available Brochure describes investment advisory services and products of MCP, persons who receive this Brochure (whether or not from the Firm) should be aware that it is designed solely to provide information about MCP as necessary to respond to certain disclosure obligations under the Advisers Act. More complete information about each MCP Fund and MCP's investment advisory services is included in relevant Offering Materials, of which may be provided to current and eligible prospective investors only by the Firm or an Administrator or Placement Agent.

This is not a replacement for the Offering Materials, and therefore, the relevant Offering Materials shall govern and control.

### ITEM 3: Table of Contents

## Contents

ITEM 1: Cover Page .....	1
ITEM 2: Material Changes .....	2
ITEM 3: Table of Contents .....	3
ITEM 4: Advisory Business .....	4
ITEM 5: Fees and Compensation.....	5
ITEM 6: Performance-Based Fees and Side-by-Side Management.....	7
ITEM 7: Types of Clients.....	8
ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	9
ITEM 9: Disciplinary Information.....	18
ITEM 10: Other Financial Industry Activities and Affiliations.....	19
ITEM 11: Code of Ethics, Participation/Interest in Client Transactions & Personal Trading .....	22
ITEM 12: Brokerage Practices .....	23
ITEM 13: Review of Accounts.....	24
ITEM 14: Client Referrals and Other Compensation .....	25
ITEM 15: Custody .....	26
ITEM 16: Investment Discretion .....	27
ITEM 17: Voting of Client Securities .....	28
ITEM 18: Financial Information .....	29
DELIVERY AND FILING REQUIREMENTS .....	30

#### **ITEM 4: Advisory Business**

MCP Advisers, LLC ("MCP," "We," "Advisor," or the "Firm"), is a Delaware Limited Liability Company founded in 2023 and is principally owned by Robert Mason. MCP and its affiliates (collectively referred to as "MCP") provide investment advisory and other services to pooled investment vehicles, by sourcing, managing, and disposing of real estate investments. MCP targets the major markets in the “sun belt” region of the United States.

MCP currently advises the following portfolios ("Fund" or "Funds"): Sun Belt Growth Fund, LP

As of December 31, 2023, MCP is responsible for managing approximately \$700,000,000 of real estate assets on behalf of its clients. These constitute MCP's regulatory assets under management ("AUM") and are calculated as 1) the fair value of the total private fund's assets and 2) the contractual amount of any uncalled commitment.

## ITEM 5: Fees and Compensation

The advisor is compensated with an asset management fee (either as a percentage of commitments, or as a percentage of actively invested capital, as defined in the respective Partnership Agreements). MCP may also charge certain other fees related to providing services to the underlying properties. The fees are generally discussed below and in more detail in the relevant offering materials and organizational documents of each Fund.

**Asset Management Fees** -The investment advisory agreements entered into between the advisor and each Fund sets forth the Asset Management Fee ("AMF"). The AMF is generally 2% per year. During the Investment Period, the AMF is paid quarterly and calculated on the commitment of each non-affiliated Limited Partner. After the Investment Period, the AMF is calculated on a quarterly basis as set forth in the Fund's Partnership Agreement (generally, based on actively invested capital). The AMF is payable quarterly in advance on the first business day of each quarter. The AMF may be paid through amounts otherwise distributable to the Partners, or the AMF may be paid by the Partners within ten business days after receipt of a call notice. If an AMF is paid, and the Fund is liquidated before the end of the quarter, any excess AMF paid in advance will be returned to the client pro rata based on the days billable in the period.

MCP may be engaged to provide services to the underlying investments of the Fund, including leasing, construction management, development and legal leasing related services. When the Fund utilizes MCP for such services MCP will charge the Fund market rates consistent with local practices. The rates and terms of these arrangements shall be disclosed annually to the Advisory Committee. Fees paid to MCP for such services are also disclosed annually in the audited financial statements of the Fund. Additionally, each Fund generally pays all of its ordinary organizational, offering, administrative, and operating expenses. Additional fees (e.g., wire transfer charges) may be imposed by service providers.

**Expenses Charged to the Funds** - Except as set forth in the governing documents of a MCP Fund, the Fund shall pay or reimburse the General Partner or MCP, as applicable, for all reasonable organizational expenses of the Fund and any (the "Organizational Costs") which are typically set not to exceed \$2,500,000 (any Organizational Costs in excess of such amount, the "Excess Organizational Costs"). Organizational Costs shall include fees and expenses of counsel to, accountants for and agents of the Fund and the General Partner, reasonable travel expenses of personnel of the General Partner and its advisors, and other expenses, in each case, incurred in connection with the formation of the Fund and any, compliance with applicable laws or regulations and the offering of Fund interests (excluding placement fees but including printing costs). On an ongoing basis, except as set forth in the governing documents of a MCP Fund, the Fund shall pay or reimburse the General Partner or MCP, or any affiliate of any thereof, as applicable, for its payment of, to the extent not paid by any investment or other person (including by amounts received in connection with the termination, cancellation or abandonment of a potential investment that is not consummated):

- (i) all fees, costs and expenses related to the operation and administration of the Fund (and any special Limited Partner), including, without limitation, the fees, costs and expenses of accountants, lawyers and other professionals incurred in connection with the audits, data processing, tax returns, tax planning, tax projections, engineering, investment-level management and servicing, hedging, environmental, legal compliance, financial reporting, legal opinions and tax return preparation and similar services, as well as expenses associated with the preparation and distribution of reports and notices to the partners;
- (ii) all fees, costs and expenses (including fees, costs and expenses incurred by third parties) related to the acquisition, negotiating, structuring, holding, leasing, asset management, property management, monitoring, development, financing (including, without limitation, any portfolio debt), hedging, operating, refinancing, sale or other disposition (including, without limitation, a proposed sale or other disposition) of, or appraisal or valuation of, investments and evaluation of potential investments (regardless of whether the potential investments are consummated), including, without limitation, any "dead deal" costs, financing, asset servicing, legal, due diligence, investment banking, valuation, accounting, advisory (including, for the avoidance of doubt, a pro rata share (based on the Fund's gross assets) of the cost of third party real estate research services) and including all costs associated with any contemplated but unconsummated co-investments, reporting, projection, consulting, travel and other related fees, expenses and out-of-pocket costs in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Fund invests or other

- third parties);
- (iii) brokerage commissions, custodial expenses and other investment costs actually incurred in connection with investments;
  - (iv) principal, interest on and fees and expenses arising out of all borrowings made by the Fund (including, without limitation, any costs related to arranging, establishing and maintaining any credit facility);
  - (v) any fees, costs and expenses related to making permitted temporary investments and any interest expenses;
  - (vi) expenses of winding up and liquidating the Fund;
  - (vii) any taxes, fees or other governmental charges levied against the Fund or any of its subsidiaries and all costs and expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund or any of its subsidiaries (including, without limitation, fees and expenses of auditors, counsel and other advisors of the Fund or any REIT subsidiaries);
  - (viii) Organizational Costs;
  - (ix) the expenses associated with the Advisory Committee and partner meetings (including, for the avoidance of doubt, costs of travel and related expenses for members of the Advisory Committee to attend meetings, representatives of the Limited Partners to attend annual or quarterly meetings of the Limited Partners or officers or representatives of the General Partner or MCP to meet with one or more Limited Partners, as the case may be);
  - (x) any director and officer liability or other insurance and extraordinary administrative or operating fees or expenses (including, without limitation, attorneys' fees and expenses and all litigation-related and indemnification expenses);
  - (xi) expenses related to organizing entities through or in which investments may be made (including any REIT subsidiaries and any subsidiary in which any Special Limited Partner may acquire an interest);
  - (xii) AMFs; and
  - (xiii) amounts to be contributed or advanced to any entity (including any REIT subsidiaries) or investment for the purpose of such entity or investment paying any cost of the type described in the foregoing clauses (i) through (xii).

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

**Carried Interest** - The General Partner of each Fund earns performance-based compensation (i.e., compensation based on a share of capital gains on or capital appreciation of the assets of a client). The General Partner is entitled to carried interest once certain hurdles to the Limited Partners are met. Please refer to the respective Partnership Agreements for more details about the carried interest paid to the General Partner.

## **ITEM 7: Types of Clients**

MCP may provide advisory and investment management services to Funds and separate accounts. The Funds either qualify for (i) exclusion from the definition of "Investment Company" under the Investment Company Act of 1940, as amended (the "Investment Company Act") under Section 3(c)(1), Section 3(c)(7) or Section 3(c)(5)(C) of the Investment Company Act. Only qualified investors may acquire interests in the Funds.

The minimum investment amount for each Fund is typically \$50,000,000 and is disclosed in the Fund's offering documents. Minimum investment amounts may be waived at the sole discretion of the General Partner for each Fund.

Side Letters - The Funds may enter into separate agreements, commonly referred to as "side letters", or other similar agreements with a particular Limited Partner in connection with its admission to a Fund without the approval of any other Limited Partner, which would have the effect of establishing rights under or supplementing the terms of the applicable Fund's Partnership Agreement with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners. Such rights or terms in any such side letter or other similar agreement may include, without limitation, and in accordance with applicable laws, rules and regulations: (i) reporting obligations, (ii) waiver of certain confidentiality obligations, (iii) "most favored nation" provisions or (iv) rights or terms requested or necessary in light of particular investment, legal, regulatory or public policy characteristics of a Limited Partner.



## ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss

**Investment Strategies** - MCP may manage Fund(s) with similar investment strategies. Additionally, MCP is focused or concentrated on real estate type investments. All investments have an inherent risk of loss and there is no guarantee that any particular strategy will be effective or yield particular results or levels of return. As a result, MCP's products and services are not intended to represent a complete investment solution and it is expected that investors maintain assets other than those advised by or invested through MCP. Investors are responsible for appropriately diversifying their assets to guard against any risk of loss. Within its various funds, single asset vehicles and other holding structures (LLCs, REITs, LPs, joint ventures, etc.) are utilized.

Generally, the Fund is the primary vehicle through which MCP acquires, develops, and redevelops commercial, multifamily, and mixed-use properties, as well as debt instruments, and other ownership interests in joint ventures that hold real estate assets. MCP may pursue investments outside of the Fund if the return target or investment itself does not meet the Fund's criteria, or if the equity required for a specific investment is below the threshold defined in each of the Fund's Partnership Agreements, respectively.

Refer to each Fund's investment guidelines and restrictions included in the offering memorandum and organizational documents for additional information.

**Co-Investments** - The Partnership may co-invest with third parties through joint ventures or other entities ("Co-Investors"). Such investments may involve risks not present in investments where a Co-Investor is not involved, including the possibility that a Co-Investor may at any time have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the Fund's investment objectives. Those terms generally provide investors that have made specified minimum commitments (which vary by Fund), the General Partner, its affiliates and other investors in certain cases ("Co-Investment Partners") with the potential right to invest alongside a Fund in an investment that, because of certain investment limitations, lack of available capital, applicable law or Fund objectives (such as diversification requirements), limit the amount such Fund would otherwise invest in such investment as determined in good faith by MCP in its sole discretion. In addition, there may be a limited number of interests available for investing. Thus, the Funds may receive a limited offering due to the Co-Investors investing with the Funds. Also, Co-Investors may receive terms that are more advantageous than those received by the Funds.

**Material Risks Associated with the Investment Strategies** - Investing in securities and real estate assets in general involves risk of loss that clients should be prepared to bear. Each Fund has risks which are specific to its particular investment strategies. **For more information about the risks of each Fund, please see the offering memorandum for that particular Fund.** While MCP seeks to manage investments so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. MCP does not offer any products or services that guarantee rates of return on investments for any period to any investor. All investors assume the risk that investment returns may be negative or below the rates of return of other investment advisers or products. Investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

There are risks inherent in the investment strategies pursued, and the financial instruments and investment methods used by MCP. Key risks of loss which apply to the principal investment strategies employed by MCP are listed below. **The risk factors delineated below are not a complete explanation of the risks involved in making an investment in the Fund. More detailed descriptions and explanations of the key risks of loss are included in relevant Offering Materials.**

### ***Risks of Real Estate Ownership***

Real estate historically has experienced significant fluctuations and cycles in value, and specific market conditions may result in reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond the control of the Fund, including: (a) changes in general or local economic conditions; (b) changes in supply of, or demand for, competing properties in an area; (c) changes in interest rates; (d) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (e) unavailability of mortgage funds that may render the sale of a property difficult; (f) the financial condition of tenants, buyers and sellers of properties; (g) changes in real estate tax rates and other operating expenses; (h) the imposition of rent controls; (i) energy and supply shortages; (j) various uninsured or uninsurable risks; and (k) acts of God and natural disasters. In addition, general economic conditions in the United States, as well as conditions of domestic and international financial markets, may adversely affect operations of the Fund.

### ***Investments in Multifamily Properties***

The Fund may invest in Multifamily properties. A large number of risk factors may affect the value and successful operation of such properties, including: physical attributes of the property such as its age, condition, design, appearance, access to transportation and construction quality; location of the property; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates and availability of government incentives, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business; adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; state and local regulations, which may affect the building owner's ability to increase rent to the level of market rents for an equivalent apartment; government assistance/ rent subsidy programs; and the inventory of unsold condominium units in the local market that are being rented until economic conditions in the condominium market improve. If any of such risk factors are heightened or the conditions associated with such risk factors deteriorate, the Fund's investments in multifamily properties may incur losses.

In addition, certain jurisdictions regulate the relationship between an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules and retaliatory evictions.

In addition to U.S. federal, state and/or local regulation of the landlord-tenant relationship, some counties and/or municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency or to increases determined through mediation or binding arbitration.

### ***Investments in Retail Properties***

The Fund invests in Retail Properties. The value and successful operation of a retail property is sensitive to a number of risk factors, including: changes in consumer spending patterns, local competitive conditions (such as the supply of retail space or the existence or construction of new competitive shopping centers or shopping malls, including, for example, competition between regional malls and local shopping centers and changing consumer preferences for upscale outlet malls, big-box discount stores and price clubs); the bankruptcy or distress of tenants; the availability of sublease space; alternative forms of retailing (such as direct mail, video shopping networks and internet web sites, which reduce the need for retail space by retail companies); the safety, convenience and attractiveness of

the property to tenants and their customers or clients; the public perception of the safety of customers at shopping malls and shopping centers; the need to make major repairs or improvements to satisfy the needs of major tenants; traffic patterns and access to major thoroughfares; and unemployment rates in the local economy.

The general strength of retail sales also directly affects retail properties. If retail sales by tenants in the Fund's properties were to decline, the rents that are based on a percentage of revenues may also decline, and tenants may be unable to pay the fixed portion of their rents or other occupancy costs. The cessation of business by or bankruptcy of a significant tenant can have a material adverse effect on a retail property, not only because of rent and other factors specific to such tenant, but also because significant tenants at a retail property play an important part in generating customer traffic and making a retail property a desirable location for other tenants at such property.

### ***Development Properties***

The Fund may acquire direct or indirect interests in unimproved land, underdeveloped real property or in properties under development, which may often be non-income producing, through investments in the securities of incorporated entities with either a freehold or leasehold interest in such real property. Purchase of property prior to completion of development and construction, or making loans relating to properties under development, is subject to greater risks than purchasing or loaning funds to properties with operating histories. To the extent that the Fund invests in such assets, it will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the reasonable control of the Fund and the General Partner, such as weather, labor conditions, building restrictions, clearances, environmental impact, material shortages, increases in the cost of labor and materials, solvency of the contractor or subcontractors or unanticipated delays in, or increases in the cost of, development and construction) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. The contractor may not be able to build in conformity with plans and specifications, and the property may not be rented for the amounts or within the time projected. In addition, the price paid for a property upon which improvements are to be constructed or completed must be based upon projections of rental income and expenses or fair market value of the property upon completion of construction. Whether the property will operate at such projected income and expense levels or achieve such projected fair market value cannot be determined in most cases until after completion of construction and a number of months of actual operation.

In addition, because of the long lead time between the inception of a project and its completion, a well-conceived project may, as a result of changes in the real estate market, economy or other conditions prior to its completion, become an economically unattractive investment.

### ***Debt Market Conditions***

The availability of credit in the U.S. debt markets, and any future changes in availability, may adversely affect the Fund's acquisition and disposition activities because it may affect the Fund's ability, or the ability of a prospective purchaser of the Fund's assets, to obtain financing on favorable terms, or at all. In addition, the condition of the debt markets may adversely affect the Fund's ability to make debt investments secured by real property and may heighten the risks associated with such debt investment, including the risk of borrower default.

### ***Risks of Leverage***

The Fund's investments may involve leveraged acquisitions, which by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. Utilization of leverage is a speculative investment technique and involves risks to Limited Partners. The leverage provided will result in interest expenses and other costs incurred in connection with such borrowings, which may not be covered by available cash flow. While leverage may enhance total returns to the Limited Partners, if investment results fail to cover borrowing costs, returns to the Limited Partners will be lower than if there had been no borrowings. Additionally, if the investments fail to perform to expectations, the interest of Limited Partners in the Fund would be subordinated to such leverage, which will compound any such adverse consequences. Further, to the extent income received from investments is used to make interest and principal payments on the borrowings, Limited Partners may be allocated income, and therefore tax liability, in excess of cash received by them in distributions.

In addition, such levels of indebtedness could have significant consequences on the Fund's investments, including (a) a substantial portion of an investment's cash flow from operations may be used to pay principal of and interest on its indebtedness and may not be available for other purposes, (6) an investment's ability to obtain financing in the future for working capital needs, capital expenditures, acquisitions, investments, general purposes, or other purposes may be materially limited or impaired, and (c) an investment's level of indebtedness may reduce its flexibility to respond to changing business and economic conditions. Also, increased interest rates generally increase investment interest expenses.

Further, loan agreements generally impose a number of operating and financial restrictions. Such restrictions could affect, among other things, the ability to incur additional indebtedness, pay dividends, repay indebtedness prior to stated maturity, create liens, sell assets, make certain capital expenditures, and make investments in operating subsidiaries, if any. Such loan agreements may require, among other things, that the Fund pledge its interests in an investment and that such investment pledge its assets and interests in its operating subsidiaries, in each case as security for the lender. In the event of a default under such loan agreements, the lenders could foreclose on those interests and assets so pledged. These restrictions could limit the ability to effect future financings or may otherwise limit activities. In the event that any such investment cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the investment.

The Fund may enter into a bridge line of credit facility to be utilized in anticipation of receiving Capital Contributions. The Fund also may enter into other forms of short- or long-term debt, loan or other financing agreements. To obtain these forms of financing would likely require that the Fund pledge the available Commitments and/or the investments of the Fund as security. In the event of a default under such a facility, the lender could foreclose on such available Commitments and/or require the sale or liquidation of some or all of the Fund's investments.

### ***Investments in Troubled Assets***

The Fund may make investments in non-performing or other troubled assets that involve a degree of financial risk, and there can be no assurance that the Fund's target return objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

### ***Hedging***

The Fund may engage in hedging transactions, such as hedging for interest rate risks, as well as other risks. Hedging techniques could involve a variety of derivative transactions, including transactions in forward contracts and swaps (collectively, "Hedging Instruments"). While these transactions may attempt to reduce certain risks, they do not eliminate potential losses arising from fluctuations in the value of the Fund's investments or related securities, currencies, interest rates or other assets, and entail other risks. Unanticipated changes in securities prices or other rates may result in a poorer overall performance for a party than if it had not entered into any transactions involving Hedging Instruments. In the event of an imperfect correlation between a position in a Hedging Instrument and an investment position that it is intended to protect, the desired protection may not be obtained, and a party may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any particular risk. Moreover, Hedging Instruments may not be available at all or at a reasonable cost to the Fund.

### ***Third-Party Involvement***

Some of the Fund's investments may be made as a co-venturer or partner with the seller of the property, an affiliate of the seller, an investor unaffiliated with the General Partner or the Fund, or other persons. Such investments may involve risks not inherent in other types of investment vehicles, including, for example, the possibility that such persons might become bankrupt, have economic or business interests or goals inconsistent with those of the Fund or otherwise be in a position to take action inconsistent with the Fund's desires, policies or objectives. Action taken by such persons might subject the property to liabilities in excess of, or other than, those contemplated. In addition, the Fund may rely upon the abilities and management expertise of the co-venturer or partner. It may also be more difficult for the Fund to sell its interest in any joint venture, partnership, or entity with other owners than to sell its interest in other types of investments. The Fund may grant co-venturers or partners veto powers with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could adversely affect investment return or value or require the Fund to use its assets to purchase the interest of the co-venturer or partner under agreements providing for the forced sale of such interest.

### ***Bank Failures***

The economic and regulatory environment is raising the risk of bank failures. A real estate funds exposure to the risk of a bank's failure can result directly from depository accounts exceeding FDIC limits, exposure through loans, subscription facilities, security deposits and through letters of credit issued by such banks from which draws can no longer be made. These risks can apply at the management company, fund and/or investment level. The Adviser mitigates these risks by keeping track of various banking relationships and analyzing cash balances on a reoccurring basis. As of the date of this filing, the Adviser has had no direct impact from the current bank failures and expects no impact to near-term cash management given the sufficient available capacity from the other subline lenders.

### ***Certain Regulatory Risks***

In the wake of the 2008 financial crisis and the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the regulatory environment in which MCP and its advisory business operates is subject to heightened regulation and scrutiny. The Dodd-Frank Act and related rulemakings by the SEC, the Commodity Futures Trading Commission and other regulators have sought to reform the regulation of many previously unregulated or under-regulated markets, market

participants, and financial instruments, including alternative investment funds. While many of the new rules and regulations mandated by the Dodd-Frank Act have now been enacted by the SEC and other regulators, further rulemaking is likely as the regulators continue to study and examine alternative investment managers and other market participants. There has been an increase in the examinations of alternative investment funds and their advisors. The SEC has also engaged, and continues to engage, in “regulation by enforcement,” bringing enforcement actions against firms to police conduct that the regulator has not previously addressed directly through formal rulemaking. It remains difficult to predict the impact of additional formal and informal regulatory actions on MCP and its clients or the effect on the manner in which MCP operates. Such actions may impose additional costs on MCP and its clients, may require the attention of senior management and may result in fines if MCP or its affiliates is deemed to have violated any regulations.

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase the exposure of MCP and its clients to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on MCP and its affiliates, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert MCP and its affiliates’ time, attention and resources from portfolio management activities.

#### ***Public Health Emergencies including Epidemics and Pandemics***

The long-term economic fallout from mass public health emergencies such as the COVID-19 global pandemic is difficult to predict. The economy is still being affected, and may be affected by future public health emergencies, epidemics or pandemics. The outbreak of COVID-19 resulted in (and future epidemics or pandemics may result in) numerous deaths, adversely impacted commercial activity and significant volatility in certain equity, debt, derivatives, and commodities markets. State, federal, and non-U.S. laws and regulations have been and may in the future be implemented that place restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain jurisdictions implemented debt payment relief packages or suspended the enforcement of residential and commercial evictions.

Such measures, as well as the general uncertainty surrounding the dangers and impact of epidemics and pandemics may (i) have a material adverse impact on tenants, real estate lenders and commercial property owners like our clients, (ii) create significant disruption in supply chains and economic activity and (iii) have a particularly adverse impact on transportation, hospitality, tourism, entertainment, healthcare, consumer, and other industries. Epidemics and pandemics could in the future continue to spread throughout the world, resulting adverse market impacts, including global, regional, or other economic recessions, have already occurred, and the likelihood of an ongoing and/or exacerbated impact is uncertain and difficult to assess.

Any public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on our clients and could adversely affect their ability to fulfill investment objectives.

The extent of the impact of any public health emergency on clients’ operational and financial performance will depend on many factors, including the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that came as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods

to meet demand. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on our clients. For this reason, valuations in such an environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified to effectively capture fair value in the midst of significant volatility or market dislocation.

The effects of a public health emergency may materially and adversely impact the value and performance of a client's assets, the ability to source, manage and divest investments and the ability to achieve investment objectives, all of which could result in significant losses to the client. In particular, a public health emergency may have a greater impact on leveraged assets. In addition, the operations of MCP and our clients may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the personnel of any such entity's key service providers. There is also a heightened risk of cyber and other security vulnerabilities during a public health emergency, which could result in adverse effects in the form of economic harm, data loss or other negative outcomes.

#### ***Cybersecurity and Operational Risks***

MCP and our clients, assets and properties of these clients, and their service providers, including, but not limited to, their custodians, consultants, property managers, legal counsel and auditors, despite security measures, are subject to risks associated with a breach in cybersecurity. Such breaches could include external malicious attacks or internal personnel misuse. Any damage or interruptions to information technology systems may cause losses to our clients (or individual investors or members in Funds or Platforms) by interfering with the operations of MCP and/or our clients. Our clients may also incur costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased, and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose our clients and MCP to civil liability as well as regulatory inquiry and/or action. Similar types of cybersecurity risks exist for certain properties or assets in which our clients invest, which could affect their business and financial performance, potentially resulting in material adverse consequences and cause such investment to lose value.

MCP's ability to conduct its business effectively is subject to a variety of other operational risks and is dependent on the ability to process client (and Fund/Platform investor or member) transactions. Notwithstanding the precautionary measures MCP has in place, if any of MCP's controls or systems fail, MCP could suffer business disruption, financial loss, or regulatory or reputational issues.

#### ***Environmental, Social and Governance Considerations Risk***

MCP provides advisory services in accordance with the applicable investment guidelines, that are customized by the client, or in accordance with the mandate selected by the client. Investment teams may consider data and analysis on environmental, social and governance ("ESG") considerations compiled by MCP or its affiliates, or a third party. ESG considerations that may be assessed as part of the investment process may vary across types of eligible investments, and not every ESG factor may be identified or evaluated for every investment. Clients that use ESG factors to exclude certain investments for non-financial reasons may forego some market opportunities available to other clients that do not use these criteria. There is no guarantee that MCP will successfully implement and make investments in real estate assets that creates positive ESG impact while enhancing long-term value and achieving financial returns. The incorporation of ESG factors may affect exposure to certain types of real estate and may not work as intended. ESG-related practices differ by region and product type and are evolving. MCP's practices are also changing over time. There is no guarantee that the evaluation of ESG considerations will be additive to performance.

#### ***Government Regulation***

The real estate industry is extensively regulated and subject to frequent regulatory change. The adoption

of new legislation or changes in existing laws or new interpretations of existing laws can have a significant impact on methods of doing business, costs of doing business and amounts of reimbursement from governmental and other agencies.

***Highly Competitive Market for Investment Opportunities***

The business of identifying and structuring real estate investments is highly competitive and involves a high degree of uncertainty. Our clients compete for investments with other real estate investment vehicles, as well as individuals, financial institutions and other institutional investors which may have greater financial and other resources. In addition, the availability of investment opportunities is subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

***Lack of Liquidity and Long-Term Nature of Investments***

Real estate investments are often illiquid, and this fact will tend to limit our ability to vary the portfolios of our clients promptly in response to changes in economic or other conditions. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on resale. As a result, a client may be unable to realize its investment objectives by sale or other disposition at attractive prices or may otherwise be unable to complete an exit strategy for its investments. Additionally, while the expected holding period for real estate investments will vary, such investments are generally longer term in nature. Accordingly, our clients face risks of changes in long-term interest rates and adverse changes in the real estate markets over the holding period of their investments.

***Market Dislocation***

An economic downturn could adversely affect MCP, the financial resources of its clients and their investments, and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such circumstances, clients could lose both invested capital in, and anticipated profits from, the affected investments. An economic downturn could lead to a marked decrease in the availability of financing (and, in many cases, an increase in the interest cost) for leveraged transactions, which may impair a client's ability to consummate certain transactions or cause the client to enter into such transactions on less attractive terms.



### ***Potential Environmental Liabilities***

Under various federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell such property or to borrow using such property as collateral. A client could also be held liable for any and all consequences arising out of past and future releases of, or exposure to, such hazardous or toxic substances or other environmental damage.

### ***Risks Associated with Development, Redevelopment and Renovation***

Depending on their individual investment strategies, our clients may acquire properties in need of substantial renovation or redevelopment and may also develop new properties. New project development, redevelopment and major renovation work are subject to a number of risks, including risks of construction delays or significant cost overruns that may increase project costs, risks that the properties will not achieve anticipated sales prices or occupancy levels or sustain anticipated rent levels, and new project commencement risks, such as the delay or failure to obtain entitlement, zoning, occupancy and other required governmental permits and authorizations and the incurrence of development costs in connection with projects that are not pursued to completion.

### ***Sustainability Risk***

Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a negative material impact on the value of investments. Sustainability risk can either represent a risk on its own or have an impact on other risks such as market risks, liquidity risks or operational risks, and contribute significantly to the risk. With regards to an environmental event or condition, real estate could be severely damaged or destroyed by physical climate risks, including climate change that could materialize as either singular extreme weather events (e.g., floods, storms and wildfires) or through long-term impacts of climatic conditions such as precipitation frequency, weather instability and rise of sea levels.

Furthermore, transition risks can affect real estate assets through the adjustment to a low carbon economy. Political decisions could for example increase energy prices or lead to higher investment costs due to necessary refurbishments of real estate to meet enhanced energy efficiency requirements caused by local, national, regional or global legislation. Transition risks could also lead to a reduction in demand for energy inefficient real estate. The market value of directly and indirectly held real estate may also be negatively affected by sustainability risks, for example through adverse changes in revenues, higher costs or impaired valuations and sales prices.

### ***Valuation***

Valuation of real estate and real estate debt is subject to numerous assumptions and is not a precise measure of realizable value. The value of a portfolio as of a particular date may be materially greater than or less than the value that would be determined if a portfolio's investments were to be liquidated as of such date. Volatile market conditions or illiquidity of real estate investments could result in liquidation values that are materially less than the values of such assets as reflected in a portfolio.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment. Prospective investors should read the offering documents and consult their own counsel and advisors before deciding to invest.

**ITEM 9: Disciplinary Information**

MCP and its supervised persons have not been involved in any legal or disciplinary events that are material to an investor or potential investor's evaluation of MCP's advisory business or the integrity of the Firm's management. This includes matters with respect to criminal or civil action, administrative proceedings, or self-regulatory (SRO) proceedings.

## ITEM 10: Other Financial Industry Activities and Affiliations.

*a) Registered Broker-Dealer or Registered Representative*

Not applicable.

*b) FCM, CPO, CTA or Associated Person*

Not applicable.

*c) Material Business Relationships with Certain Related Persons*

MCP and/or its affiliates may provide services relating to and receive fees from the assets held by the Fund, including any management, leasing, administration, acquisition/disposition, development (including construction management), capital improvement, and other services. If MCP or its affiliates provides such services, it will charge competitive market rates which are reviewed annually with the Fund's Advisory Committee.

*d) Recommendation and Selection of Other Investment Advisers*

Not applicable.

The Fund's, MCP, the General Partner, the Manager, and their respective affiliates, are subject to various conflicts of interest in their relationship with the Fund. **The conflicts of interests delineated below are not a complete explanation of the potential conflicts of interest between all parties. More detailed descriptions and explanations of the potential conflicts of interest are included in the relevant Offering Materials.**

### **Personnel**

Certain personnel of MCP (and/or affiliates) will devote only a portion of their business time to the provision of advisory and management services to the Fund. Such personnel also will work on projects for affiliates and conflicts of interest may arise in allocating management time, services or functions among such affiliates.

### **Carried Interest**

The payment of Carried Interest Distributions to the General Partner may create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would make in the absence of such performance-based compensation. In addition, due to the method of calculating the Carried Interest Distributions of the General Partner, the compensation of the General Partner may be affected by the timing of dispositions and other factors within the control of the General Partner.

### **Fees for Services**

Affiliates of MCP may be retained by the Fund and receive fees for brokerage, lending, or other services in connection with property management, asset dispositions, financings or refinancings as well as financial advisory, placement, underwriting and other investment banking services. Any such additional fees will be paid at market rates, as determined by mutual agreement of the General Partner and such entities. Such entities may also receive fees for such services from persons other than the Fund in connection with transactions in which the Fund is an investor.

**Unrelated Business Taxable Income**

In order to maximize pre-tax returns, the General Partner may take actions that result in tax-exempt Limited Partners recognizing more UBTI than might otherwise be the case. For example, the nature of the assets selected for acquisition and the type and the extent of any financing used to acquire such assets will affect the amount of UBTI realized by tax-exempt Limited Partners. Accordingly, the General Partner may forgo certain actions with regard to acquisition, management and disposition of assets that would reduce or eliminate UBTI because such actions would reduce overall pre-tax returns to all of the Partners.

**Transactions Related to Other Affiliated Funds**

The Fund may co-invest with other companies, partnerships, or vehicles, advised, managed by or affiliated with the General Partner, the Manager, MCP and/or their respective affiliates. Conflicts of interest may arise in connection with certain transactions involving investments by the Fund and such "affiliated" vehicles in the same investment (including in respect of timing, structuring and terms of such investments and disposition thereof).

**Competition for Investment Opportunities**

To the extent permitted by the Partnership Agreement, certain investments otherwise suitable and feasible for the Fund may be made by and/or offered to the General Partner, the Manager and/or the Principals, or vehicles outside of (a) the Fund, (b) the Fund's subsidiaries or Parallel Funds, Alternative Investment Vehicles or Special Purpose Investment Vehicles and (c) other vehicles in and/or through which the Fund may make investments (such as co-investment vehicles), such as: (i) those that may require less in equity or equity-related securities than would be in the best interest of the Fund; (ii) those originated or made prior to the Initial Closing; (iii) those within the investment parameters of Existing Funds and vehicles formed in connection with the GP Co-Investment Percentage; (iv) those presented in connection with fiduciary capacities; (v) those for personal use; (vi) passive or minority positions; (vii) those presented by the Limited Partners unaffiliated with the General Partner; and (viii) those intended to protect or enhance the value of any of the foregoing. Further, the General Partner, the Manager and/or their affiliates may advise, manage, or operate other investment vehicles that may compete with the Fund for investment opportunities.

**Advisory Committee**

The General Partner will organize an Advisory Committee for the Fund comprised of individual representatives of certain investors unaffiliated with the General Partner. In addition to consulting with the General Partner on general Fund matters, the Advisory Committee may be authorized to provide certain consents in lieu of the vote or consent of the Limited Partners on behalf of the Fund. In such situations, the Limited Partners will have no input and will be bound by the decisions of the Advisory Committee. Members of the Advisory Committee will be entitled to certain indemnifications and exculpations by the Fund.

**Diverse Membership**

The Limited Partners are expected to include both taxable and tax-exempt entities, as well as persons or entities that are organized in various jurisdictions and that otherwise may have conflicting investment, tax, regulatory or other interests with respect to their investment in the Fund. As a result, conflicts of interest may arise in connection with, among other things, the nature of investments made by the Fund, the structuring or acquisition of investments and the timing of dispositions of investments. Decisions made by the General Partner with respect to the foregoing may be more beneficial for one type of Limited Partner than for another type of Limited Partner. In selecting and structuring investments appropriate for the Fund, the General Partner will consider the investment and tax objectives of the Fund and the Partners as a whole, not the investment, tax or other objectives of any Limited Partner individually.

**Business with Investors**

MCP and/or its affiliates engage in business with certain service providers who may be Limited Partners in Funds and/or who provide services (including lending arrangements) to MCP, the Funds, the portfolio companies and/or businesses that are competitors of the Adviser. Such engagement may be concurrent with a Limited Partner's admission to a Fund, or during the term of such Limited Partner's investment in the Fund. MCP will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide MCP information about industries in which MCP operates or will provide other services that are beneficial to MCP. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. In these instances, MCP uses reasonable efforts to mitigate such conflicts, for example, by soliciting multiple bids and uses good faith efforts to negotiate market terms for such service providers' services.

**Business Relationships of MCP and/or its Affiliates**

MCP, its affiliates and their personnel have long-term relationships with a significant number of property managers, facilities managers, developers, institutions and corporations and their advisors. In determining whether a client should invest in a particular transaction and which service providers to use, if any, MCP will consider these relationships in its management of the client. There may be certain transactions that will not be undertaken on behalf of a client in view of such relationships.

**Client Expenses**

As described further in "Item 5 – Fees and Compensation," clients pay and bear expenses as outlined in the Governing Documents. Such expenses may be substantial and reduce the actual returns realized by clients or Limited Partners on their investment in Funds or Platforms. Expenses to be borne by MCP and/or its affiliates are limited to those items specifically enumerated in Governing Documents. From time to time, MCP and/or an affiliate will be required to decide whether costs and expenses are to be borne by a client, on the one hand, or by MCP and/or an affiliate, on the other, and/or whether certain costs and expenses should be allocated between or among a client, on the one hand, and other clients, investment vehicles or accounts managed by MCP and/or its affiliates, on the other. MCP will make such judgments notwithstanding its interest in the outcome and may make corrective allocations should, based on periodic reviews, it determines whether such corrections are necessary or advisable.

A client may participate in specific investments together with one or more other clients of MCP and may also co-invest with co-investors (including in connection with portfolio entities in which a client and such other client of MCP has overlapping investments). MCP and/or its affiliates will determine, in their discretion, the appropriate allocation of investment-related expenses, including broken deal expenses incurred in respect of unconsummated investments among the clients participating or that would have participated in such investments, as applicable, which may result in a client bearing more or less of these expenses than other participants or potential participants in the relevant investments. The allocation of such expenses among such entities raises potential conflicts of interest, in part because expenses paid by an entity generally will affect the amount of performance/incentive fees and/or carried interest that MCP and/or its affiliates may receive. MCP and its affiliates intend to allocate such common expenses among such client and any other client in an equitable manner as determined by MCP and/or its affiliates in their good faith discretion.

Because certain expenses are paid for by a client and/or its portfolio investments or, if incurred by MCP, are reimbursed by a client and/or its portfolio investments, MCP may not necessarily seek out the lowest cost options when incurring (or causing a client or its portfolio investments to incur) such expenses.

## **ITEM 11: Code of Ethics, Participation/Interest in Client Transactions & Personal Trading**

**Code of Ethics ("Code")** - MCP believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act solely for their benefit.

The Code describes, among other things, MCP's policies regarding confidential investor information and regulates personal trading activity. Securities holdings and transactions of access persons and their immediate family members (if certain criteria are met) are reviewed to determine compliance with the requirements of the Code. The Code also contains other restrictions and reporting requirements designed to limit personal conflicts of interest. Personnel are also required to comply with applicable federal securities laws. All personnel of the Firm must put the interests of investors before their own personal interests and must act honestly and fairly in all respects in dealings with clients. Investors or prospective investors may obtain a copy of the Code of Ethics by contacting us by e-mail at [RMason@GreenTrustPartners.com](mailto:RMason@GreenTrustPartners.com) or by telephone at +1.404.304.6485.

**Participation or Interests in Client Transactions** - MCP Management team may invest in any Fund for which the Firm serves as investment manager or adviser. Each of the Fund's Investment Committee Members (each an "Access Person") is required to provide records of all investments bought or sold. Files of securities transactions affected for Access Persons of the Firm will be maintained for review to detect and resolve any conflicts. Besides owning interests in the same Funds, however, no person related with the Firm is permitted to buy from, sell to, borrow from or lend to any Fund without prior written approval.

MCP and/or certain related persons of MCP may, on occasion, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain clients in connection with certain "warehousing" or investment transactions, provided that the sale is consistent with MCP's fiduciary obligations to the client. Such transactions will be fully disclosed and the written consent of the appropriate client (which, in certain circumstances, may be provided by an Advisory Committee or Board of Directors) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute "principal transactions" under Section 206(3). Moreover, MCP may, in limited instances, cause a Fund to engage in "cross transactions" via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund, provided that the transfer is consistent with MCP's fiduciary obligations to each Fund participating in the cross transaction. While MCP endeavors at all times to act in the best interests of the Funds, investors should be aware that such transactions described above create a potential conflict of interest. While MCP endeavors at all times to act in the best interests of its clients, such transactions described herein create a potential conflict of interest.

**Investment in Securities Recommended to Clients** - MCP's personnel with knowledge about potential investments or divestitures ("Supervised Persons") are specifically prohibited from using their knowledge about pending transactions or investments currently being considered for personal profit. Supervised Persons are prohibited from investing in an investment in which the firm has signed a confidentiality agreement or non-disclosure agreement. The Firm has adopted a Code of Ethics imposing on each Supervised Person a duty to place the interests of the Funds first, to report to the Firm any actual or potential conflict of interest. The Code of Ethics requires each Access Person to report quarterly theirs and their immediate family member's (if certain criteria are met) securities holdings and transactions. In addition, each Access Person must pre-clear any personal trades in IPO's or Private Placements. The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information.

## **ITEM 12: Brokerage Practices**

**General Brokerage Practices** - MCP does not invest in marketable securities; in the event that MCP elects to invest in marketable securities, policies and procedures around best execution will be implemented.

- a) Selecting or Recommending Broker-Dealers

Not applicable.

- b) Aggregation of Trades

Not applicable.

## **ITEM 13: Review of Accounts**

### *(a) Periodic Account Reviews*

MCP reviews its investor accounts at minimum on a quarterly basis. The investor accounts, including books and records, are reviewed as part of the quarterly accounting close. In the event other factors warrant a review (i.e., as a result of new/ extended investments) an account may be reviewed in addition to the periodic quarterly review process.

MCP periodically monitors portfolios within the Funds under the review of the asset management team. The review is intended to determine the suitability of an investment against the Fund's investment strategies and making such recommendations with respect to investments.

### *(b) Client Reports*

Clients are provided unaudited interim financial statements related to their investments on a quarterly basis. Additionally, clients are provided with an audited set of financial statements (as of December 31) audited by an independent CPA firm within 120 days of year-end.



#### **ITEM 14: Client Referrals and Other Compensation**

The Firm may enter into written solicitation agreements with third parties (each a "placement agent"). Under a placement agent agreement, the Firm may pay a referral fee to a placement agent when the placement agent successfully introduces a new investor to the Firm. The amount of compensation is based on a negotiated percentage of the management and incentive fees received by the Firm from each client. The placement agent arrangement does not affect the amount of fees paid by each client. All such arrangements will comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

## **ITEM 15: Custody**

MCP and its affiliates are deemed to have custody of the Funds' assets due to the access and authority over the Funds' assets. Therefore, MCP maintains custody of client funds within the meaning of Rule 206(4)-2 under the Advisers Act. Cash is maintained with a qualified custodian (i.e., an FDIC insured banking institution). In accordance with guidance from the SEC, with respect to certain investments in privately offered securities, a specified custodian may hold only documentation relating to or referencing such investments but not the actual investment itself, and/or investments of a Fund may not be registered in the name of the custodian. MCP does not serve as a qualified custodian as it relates to the holding of securities, however; MCP does send quarterly account statements directly to the investors. MCP also provides (or causes to be provided) to each Investor in the Fund a copy of the Fund's audited financial statements (performed by an independent CPA firm) within 120 days following the relevant Fund's fiscal year end.

## **ITEM 16: Investment Discretion**

MCP generally manages Fund assets on a discretionary basis with the authority to determine for each Fund what investments are made, as well as when and how they are made. MCP acts in the authority to manage investments on behalf of the Funds it manages. MCP acts in conformity with the Fund agreements, and with the instructions and directions of the General Partner, including compliance with all applicable laws and regulations. MCP does not provide advisory services directly to investors of a Fund. MCP may provide advisory services to separate accounts.

## ITEM 17: Voting of Client Securities

*(a) Proxy Voting Authority*

This item is not applicable because the Fund(s) do not invest in publicly traded securities.

*(b) Client Proxy Voting Authority*

Refer to the answer to (a).

## ITEM 18: Financial Information

No financial events have occurred at MCP that would negatively affect the financial viability of MCP. There is no financial condition of MCP that is reasonably likely to impair MCP's ability to meet contractual commitments to clients.

*(a) Financial Disclosures*

Not Applicable.

*(b) Material Financial Impairment*

Not Applicable.

*(c) Bankruptcy Petitions*

Not Applicable.

## **DELIVERY AND FILING REQUIREMENTS**

*Advisers must deliver the Brochure to a prospective client prior to or at the time the adviser enters an advisory contract with the client. In addition, the Supplement must be delivered to the client before or at the time a specific Supervised Person begins to provide advisory services to that client. Interim updates to the Brochure or Supplement will be required when a material change occurs, such as changes with respect to disciplinary information. Annually within 120 days of the end of their fiscal year, advisers will be required to deliver either: an updated Brochure and Supplement that includes a summary of any material changes or a summary of any material changes, along with an offer to provide an update Brochure and Supplement. Advisers may deliver the Brochure, summary of material changes and Supplement electronically in accordance with SEC guidance. The Brochure will be required to be filed electronically with the SEC and will be publicly available on the SEC's IARD Web site. Supplements, however, are not filed with the SEC. Rather, advisers are required to maintain copies of all Supplements and amendments in their files.*