

Item 1 - Cover Page

A.

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B. This Brochure provides information about the qualifications and business practices of Muller & Monroe Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 312.782.7771. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Muller & Monroe Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

C. Our registration with the SEC does not imply a certain level of skill or training.

Item 2 –Material Changes

Since the last amendment of our Form ADV on June 27, 2023, there have been material changes to our Form ADV.

Back in 2021, we sold principally all the underlying primary fund investments of one of our targeted mandate funds on the secondary market. At this point, one primary fund asset remains and is not expected to fully liquidate until sometime in 2025.

On October 13, 2023, we closed on an additional \$250.0M of LP commitments in a separate account fund-of-funds commitment. Included in this commitment is a \$200.0M commitment for primary funds and a \$50.0M commitment for co-investments.

When there are changes to our policies or practices, or to disclosure relating to conflicts of interests since the last annual update of the Brochure, this summary of Material Changes will be provided to you along with an updated Brochure.

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Item 4 – Advisory Business

A. Description of Advisory Firm

Muller & Monroe Asset Management, LLC (M²) has been in business since July 9, 1999. André Rice is our President and serves on the Investment Committee along with Irwin C. Loud, III, Marcia Markowitz, Alfred Sharp and Gregg Walker. The Co-investment Committee consists of André Rice, Gregg Walker, and Alfred Sharp. André Rice launched the firm to form private equity funds-of-funds whose investors would be institutional (government and corporate) pension funds. As of March 27, 2024, we are located in Chicago, Illinois and have eighteen employees.

We are currently managing three core funds and six targeted investment mandate funds with total LP commitments of \$1.54B (includes \$125M of commitments contractually expected to be released in October 2024 as part of a \$250M commitment awarded to us on October 23, 2023) on behalf of five public pension plans. Furthermore, M² manages two primary fund investments through a \$15M Legacy Fund separate account and a \$50M commitment for co-investments where we invest in portfolio companies alongside certain primary fund managers. Our core funds focus on investing with smaller lower middle market PE firms nationwide, diversified by industry, region, stage, and vintage year. Our targeted investment mandates are directed by our public pension fund LPs with specific allocations usually based on a combination of gender, ethnicity, or geography.

The core and targeted investment mandate funds-of-funds make up our five advisory clients. All limited partner investors in the ten funds-of-funds we currently manage are public pension funds.

Back in 2021, we sold principally all the underlying primary fund investments of one of our targeted mandate funds on the secondary market. At this point, one primary fund asset remains and is not expected to fully liquidate until sometime in 2025. As such, this targeted mandate fund is not counted in the \$1.54B of total LP commitments mentioned above.

On October 13, 2023, we closed on an additional \$250.0M of LP commitments in a separate account fund-of-funds commitment. Included in this commitment is a \$200.0M commitment for primary funds and a \$50.0M commitment for co-investments. As of 12/31/23, we have \$3.5M invested in a portfolio company through our new co-investment commitment. The total LP commitment of \$250.0 will be released in 2 series, 50% on October 13, 2023, and the other 50% on October 13, 2024.

Other than one fund that is structured as a limited liability company, all of our other funds are structured as limited partnerships. With respect to the fund structured as a limited liability company, we operate as the manager of that fund, which is akin to our acting as a general partner to our limited partnerships. References made throughout this

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document to limited partnerships are intended to include our fund structured as a limited liability company as well. Likewise, references to our general partners are meant to include our entity acting as the manager for the fund structured as a limited liability company.

Ownership of M²

The chart below summarizes the ownership of M²:

Owner Name	Ownership Percentage
Rice Group Ltd. (100% owned by André Rice)	29.70%
Irwin C. Loud, III	14.24%
Non-employee Investors	56.06%

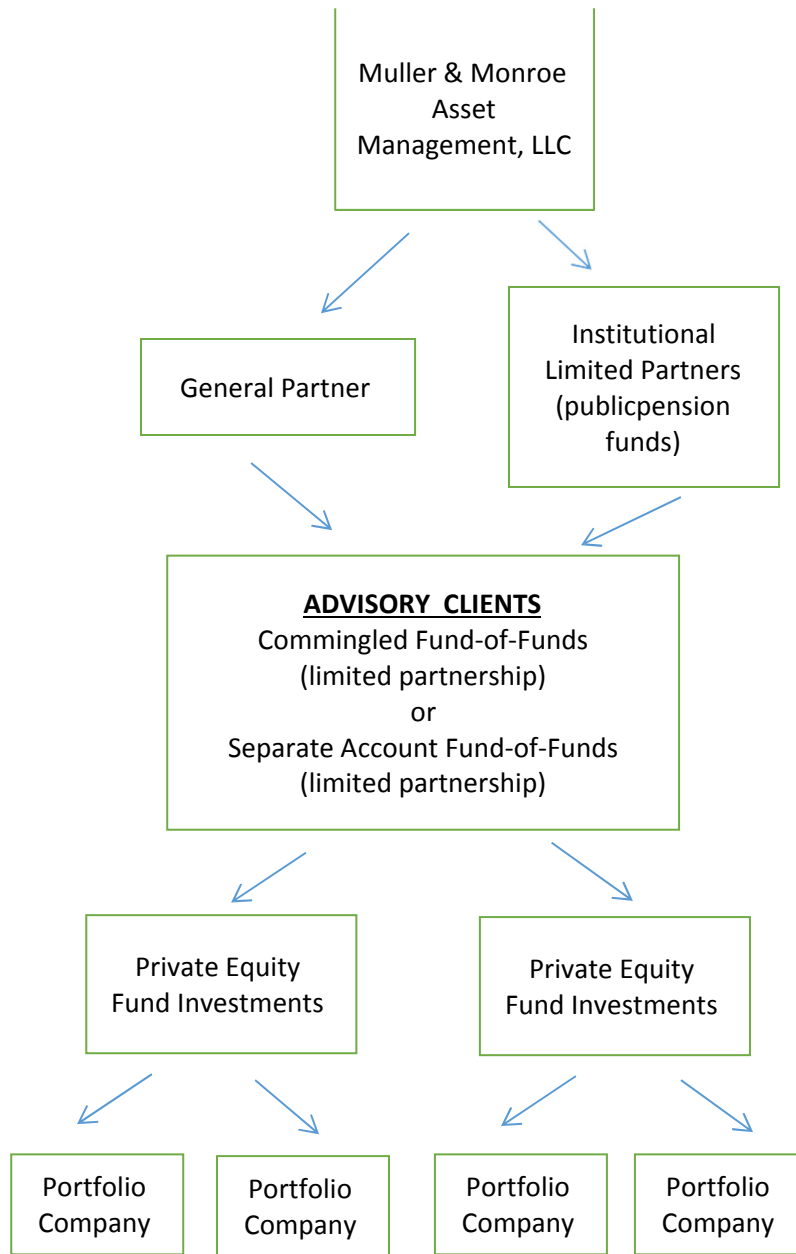
Investment Structure

The investment structure of each of our fund-of-funds clients shares certain common elements:

- 1) We invest in each fund-of-funds client alongside the limited partners by means of a general partner.
- 2) We usually commit 1% of the capital to a fund-of-funds investment while the limited partners commit 99% of the capital.
- 3) Each fund-of-funds entity is a limited partnership or limited liability company.

We do not manage these underlying primary funds or portfolio companies. Below is an illustration of the structure of a typical fund-of-funds client we would manage:

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Co-Investments

In certain instances, we will invest in portfolio companies alongside our private equity fund managers as part of our \$50M commitment for co-investments.

Investors in our Advisory Clients

Initial investors in our advisory clients have all been public pension funds. We may accept corporate pension funds and accredited investors as investors in our advisory clients in the future.

Pension funds typically invest in a private equity fund-of-funds because: 1) they have insufficient staff to do the necessary due diligence on private equity or growth equity funds and/or 2) their staff does not have the background and necessary relationships for sourcing and due diligence to invest independently in this asset class, and 3) they want the greater diversification provided by a fund-of-funds investment. When we are advising each of our private equity fund-of-funds, we develop a portfolio of investments that seeks to maximize returns to the fund's investors while minimizing risk through a rigorous investment process and portfolio diversification.

B. Advisory Services Offered

Our investment advisory services consist of 1) finding investment opportunities, 2) selecting investments on behalf of our clients---the limited partnership funds-of-funds, co-investments, and 3) monitoring those investments throughout the terms of the underlying primary funds that sometimes extend beyond a decade.

With respect to one of our fund-of-funds clients, we replaced an existing general partner and agreed to manage that fund's investments that had been made at the time we replaced the general partner. We are not selecting additional investments for this fund. This fund holds limited partnership interests.

Investment opportunities come to us in several ways:

- 1) Unsolicited opportunities sent to us online or in hard copy
- 2) Referrals from limited partner investors and business contacts, including placement agents representing potential primary funds
- 3) Opportunities found through networking and various private equity data bases

Our investment selection process involves the following steps:

- 1) Initial screening of private equity investment opportunities
- 2) Preliminary due diligence on opportunities passing initial screen
- 3) Formal due diligence on opportunities that advance beyond preliminary due diligence
- 4) Legal negotiation of investments with successful formal due diligence
- 5) Closing and oversight of investments

Investment oversight for each investment consists of:

- 1) Participation on Limited Partnership Advisory Committee (LPAC), with rare exceptions
- 2) Monthly to quarterly calls to discuss investment updates
- 3) Review of financial statements
- 4) Analysis of investment performance

- 5) Attendance at investment annual meeting
- 6) Back office administration of investment
- 7) Annual review of compliance with partnership terms and side letters
- 8) Work-out assistance, if needed

Other than with respect to the one separate account for which we only manage existing investments, we select investments on behalf of our clients, the limited partnership funds-of-funds. The result is that each limited partnership fund-of-funds we advise holds investments in other limited partnership private equity funds. It is these limited partnership private equity funds that make direct investments into portfolio companies.

Limitation on Types of Investments

We invest exclusively with emerging and specialized private equity managers. We *generally* define emerging managers as those managers that:

- 1) Have less than \$1 billion in assets under management,
- 2) Manage private equity funds with a size ranging from approximately \$100 million to \$1 billion,
- 3) Are investing under a new platform, but are not new to investing, or
- 4) Are not well known in the institutional marketplace (i.e. not a “brand name” fund)

Two individuals who leave a larger private equity firm to form their own firm would be an example of experienced investors with a new platform. Enterprise software, financial technology (“fin-tech”), and cybersecurity are examples of investment areas of focus for specialty private equity managers.

C. Tailoring of Advisory Services to Advisory Clients

The advisory services we provide are to the client funds-of-funds. Therefore, the services provided are tailored to the needs of the limited partner investors in each fund-of-funds. Most of the details of the advisory services to be provided by us for each fund-of-funds are clearly stated in the limited partnership agreement or a side letter. Certain advisory services, which are more in the nature of back office administration, are clarified as the relationship with each limited partner investor develops.

A component of our advisory services is to respond to requests for information by the limited partners of the client, which includes requests by the limited partners’ consultants. We routinely respond to limited partner requests to provide information in a specific format or to complete a form or provide a report specific to a limited partner. Examples of this

would be to provide cash flows in a specific format to a consultant or to complete a compliance form for a specific limited partner of a client.

Our experience is that the nature of client limited partner service requests changes over the life span of the client fund-of-funds. The limited partners of the client may change consultants, and the new consultant may, subject to the terms of confidentiality agreements, request new information or old information in a new format. Changes in client investment staff may result in changes in the frequency and content of routine reporting to staff; however, the quarterly and annual reports mandated under limited partnership agreements generally remain unchanged. A change in the investment climate may trigger a request. Examples of such changes are the issue of gun control, changes in pay-to-play regulations, and international human rights issues. When limited partners of a client update their internal investment policies to respond to the external investment environment, they often make new requests of us as advisor to the client fund-of-funds.

Client restrictions on types of investments

Our clients may impose restrictions on investing in private equity funds that invest in certain securities or types of securities. The limited partnership agreement of the client along with investor side letters, if applicable, specify the criteria for investments we select for a given client. Examples of investment restrictions by a client may include:

- 1) Investment managers with less than \$1 billion in capital commitments under management
- 2) Investment stage (no early stage venture capital)
- 3) Geographic location (40-60% Midwest investments)
- 4) Industry (no real estate or oil & gas)
- 5) Demographic (50% of investments must be Minority or Women Business Enterprises)

D. We do not participate in a wrap fee program.

- E. All client assets are managed on a discretionary basis however separate accounts may require special approvals or veto rights by the underlying investor. As of December 31, 2023, we managed \$1,430,903,922 of client assets as follows:

Client	Assets Under Management
Core Fund-of-Funds 1	\$ 81,206,473
Core Fund-of-Funds 2	\$ 285,332,204
Core Fund-of-Funds 3	\$ 125,296,611
Targeted Investment Mandate Fund-of-Funds 1	\$ 12,854,000
Targeted Investment Mandate Fund-of-Funds 2	\$ 164,747,261
Targeted Investment Mandate Fund-of-Funds 3	\$ 128,676,182
Targeted Investment Mandate Fund-of-Funds 4	\$ 258,655,454
Targeted Investment Mandate Fund-of-Funds 5	\$ 63,863,985
Targeted Investment Mandate Fund-of-Funds 6	\$ 306,147,693
Special Inherited Fund-of-Funds	\$ 4,124,059
Total	\$1,430,903,922

Item 5 – Fees and Compensation

A. Compensation for Advisory Services

Fees and compensation for each client are negotiated and specified in the limited partnership agreement of that client. Such fees and compensation may include asset based and flat advisory fees as well as a share of the profits based on performance.

B. Billing of Asset-based and Flat Fees

We generally bill (issue an invoice to) clients for our asset-based and flat advisory fees. We may deduct fees from commingled fund client assets prior to billing, but within the billing period. We would do this: 1) in the event the client has excess cash on hand, and 2) in order to draw our fees without causing the client to issue a separate capital call to the limited partner investors of the client. The bill for the fees would then be included as part of (netted against) the next distribution notice for that client. Here is an example of how this would work:

- 1) Client has received a distribution March 30th from an underlying primary fund
- 2) April 1st we deduct our management fee from client assets and issue an invoice
- 3) April 5th the client issues a distribution notice to its limited partner investors which nets the fees for April 1st against the underlying distribution from March 30th

We try to bundle calls for capital from or distribution notices to our clients' limited partners whenever possible. As advisor to our clients, we use our discretion in determining whether to bill clients for fees or deduct fees (as described in paragraph 5.D.) from client assets.

Billing of Performance-based Fees

We will receive any performance-based fees we earn by means of a distribution from our clients to the related general partner through which we invest. This is otherwise known as "carry".

- C. In addition to advisory fees, each client pays other fees and expenses as agreed upon in the limited partnership agreement of that client. Examples of these expenses are as follows:

- 1) Investment due diligence costs – legal, travel, and background check fees incurred for the purpose of evaluating investments for specific clients. These include costs incurred for due diligence on investments that are ultimately made as well as those that are abandoned in due diligence. If an investment is considered for more than one client, the related due diligence costs are shared pro-rata by those clients.
- 2) Auditing and accounting expenses – annual audit fee and tax return preparation fees for the client limited partnership.
- 3) Custodial fees – annual charges for custodial services for the client limited partnership.
- 4) Organizational costs – legal fees to put together the client’s offering documents and limited partnership agreement, negotiation of side letters for the admission of additional limited partners subsequent to the initial closing, travel related to the formation of the client limited partnership (typically travel to/from a limited partner’s place of business).
- 5) Legal fees – ongoing legal expenses related specifically to the client limited partnership. An example of such an expense would be an amendment to the current limited partnership agreement.
- 6) Monitoring – Annual meeting attendance expense and any other client meeting requiring travel.

The client may incur brokerage and other transaction costs. Please see Item 12 of this brochure.

- D. Clients must pay asset-based and flat advisory fees quarterly in advance. We bill for fees on January 1, April 1, July 1, and October 1 of each year that advisory services are provided. Clients pay these fees by issuing a call for capital to their general and limited partner investors. The date clients pay the fees is determined by the capital call due date which is on or shortly after the billing date. One client, which is a targeted investment mandate, pays its quarterly fees in arrears.

If we cease to act as the advisor to any client, we will refund any unearned portion of fees paid in advance by the client. The amount of refund will be determined by multiplying the fee paid for the quarter by the fraction of the quarter remaining (days in quarter post termination of advisory contract/the number of days in the quarter).

- E. No partner or employee of Muller & Monroe Asset Management, LLC accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-by-Side Management

Clients with Performance-Based Fees

In addition to the asset based or fixed advisory fee, we may also receive fees based on a share of capital appreciation of the assets of our clients. We have control of, and an ownership interest in, the general partner of each client to whom we provide advisory services (see illustration in Item 4.A.).

These clients make distributions to the general partner and limited partners as funds are distributed from the clients' underlying investments. The order in which a client makes distributions, known as the distribution "waterfall", is unique to each client. The following is an example of the layering of distributions from clients:

- Return of capital for investments, expenses, and management fees
- Preferred return paid to limited partners
- Catch up to general partner
- Split of remaining distributions between general partner and limited partners

In *general*, we receive performance-based fees if all capital has been returned to all investors of a client and a "preferred return" is paid to the limited partners of the client. If a client distributes to one of our general partner entities amounts in excess of the capital invested, then portions of the distributions to the general partner entity will be considered capital appreciation on assets.

Conflicts of Interest: Flat Fee vs. Asset-Based Fee vs. Performance-Based Fee Clients

We do not believe there are any conflicts at the firm level in the management of our clients' accounts. All of our clients pay either (i) an asset-based fee or (ii) a flat fee *plus* have a performance-based fee. Therefore, the incentive to favor performance-based fee accounts over flat fee or asset-based fee accounts does not exist.

The calculation of the performance-based fees (i.e., the carried interest) is very similar for each client where we have been engaged to make investments on behalf of the client. Further, each client is similar in size and has a similar targeted performance rate. In addition, we often include some of the same investments in more than one client's portfolio as we deem appropriate for each client's investment strategy. We believe these factors provide an environment where there is no incentive to favor one client over another.

Our one client where we replaced the former general partner has the potential to pay a slightly different (and likely lower) performance fee than our other clients because we do not have an

interest in the underlying primary funds. In this case, we are monitoring the investments made by the previous general partner but are not selecting new investments for the fund. This client requires less intensive advisory services, however, and we believe the fee paid is appropriate for the services rendered.

The limited partnership or limited liability company agreements of each of the clients set forth the manner in which potential investments may be shared with other clients that we manage to the extent such clients have available commitments.

We issue to certain supervised employees incentive units for a share of the carried interest with respect to most clients. These incentive units are awarded based on employee service to the firm as a whole, reducing the likelihood that an employee would be inclined to favor one client account over another.

Ultimately, a conflict of interest towards serving our clients would only exist if we were insufficiently staffed. We believe that we are appropriately staffed to support all of our clients as provided for in each client's limited partnership or limited liability company agreement.

Item 7 – Types of Clients

Types of Clients

Our clients are limited partnerships that make private equity investments on behalf of limited partners. Each client invests in other private equity partnerships or portfolio companies, as is the case with co-investments, selected by us as appropriate for the client based upon the investment criteria outlined in the client's limited partnership agreement. We act as the investment manager to each client in exchange for fees and according to terms provided for in the client's limited partnership agreement and applicable side letters.

Account Requirements

We have several general requirements to establish a client fund:

First, we require minimum commitments of \$50 million to establish a client fund,

Second, we require a minimum commitment of \$3,000,000 by a limited partner investor or other qualified institutional investor in a client fund,

Third, we require the limited partner investors in a client fund to be a qualified institutional investor, such as a public or corporate pension fund, and

Fourth, we require that any individual who invests in the client fund through our general partner entity be:

- a) Either an executive officer, director, general partner or person serving in similar role at M², or
- b) An employee of M² who, in connection with his or her regular duties, participates in M² investment activities.

It should be noted that although we require the limited partner investors in a client fund to be a qualified institutional investor, such as a public or corporate pension fund, we do not have control over whom an institutional investor in a client fund sells its interest to on the secondary market. To date we have had one public pension fund in one client fund sell its limited partnership interest on a secondary market. This client fund has been subsequently sold on the secondary market and is now fully liquidated and closed.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

A. Methods of Analysis

We use a multi-step due diligence process as the foundation of our analysis of investment opportunities. Frequently we customize the due diligence in order to more adequately evaluate the opportunity. Our due diligence process includes the following steps:

- 1) Multiple meetings and interviews with key people at the prospective fund investment
- 2) Off-line reference checks of key people at the prospective fund investment
- 3) Analysis of historical financial return performance of those charged with management of the prospective fund and underlying portfolio company investments
- 4) Interviews with people relevant to the fund such as past or present limited partners, portfolio company managements, or others. These meetings may be telephonic or in person.
- 5) Background and reference checks of key individuals at the prospective investment fund
- 6) Thorough evaluation and negotiation of the structure of the investment entity
- 7) Additional due diligence as needed at the recommendation of the investment team.
- 8) Evaluations by an industrial psychologist of key management individuals at a prospective fund investment (as needed for newer funds).

Extensive formal due diligence includes an assessment of the following:

- 1) **People:** We seek high integrity, hardworking investors with experience and skill sets matching the firm's strategy, as well as harmonious team dynamics.
- 2) **Strategy:** We look for strategies with well-formulated, attractive value propositions which are sustainable and benefit from the team's advantageous sourcing.
- 3) **Execution:** We require a sound organizational structure and institutional level decision making processes employed by the general partner including back office controls and disciplined investment processes.
- 4) **Alignment of Interests:** Interests between our fund, the general partner, and portfolio companies must be aligned to ensure appropriate incentives are in place to create value in the funds' investments.

Our investment strategies involve investing with emerging and specialty private equity managers focused on the lower middle market sector. We include the following type of funds in our target market:

- 1) spin-outs (i.e. organizations formed from teams that leave established investment organizations, and which will pursue similar strategies pursued by the original organization)

- 2) industry or regionally focused funds
- 3) specialty funds
- 4) funds created by low-profile private investors
- 5) funds partnering with successful family operating businesses
- 6) funds managed by minorities and women
- 7) first time funds

We do not invest client assets with inexperienced investment managers but may invest with first time fund organizations (i.e., experienced investment professionals/teams continuing a successful investment strategy in a new organization).

The construction of each client's portfolio of investments is dependent upon the size of the client (usually between \$100 and \$200 million) and any particular investment parameters negotiated as part of the client's limited partnership agreement. Typically, we would expect to make 10-12 investments on behalf of each advisory client with a range of \$5-\$20 million per commitment. The exact number and size of the investments in each client remains within our sole discretion unless otherwise negotiated as part of the limited partnership agreement. Investment allocations to each client portfolio are made in accordance with the investment allocation policy, incorporated later in this document (Guidelines for Allocating Investments Among M2 Client Accounts).

We make investment decisions in constructing client portfolios with a goal of exceeding a private equity benchmark including one or more of the following:

1. industry benchmarks (i.e., vintage year analysis)
2. PME benchmark plus 300 basis points, or
3. other similar benchmarks negotiated between us and the limited partners of the client fund.

Performance for each client is evaluated at the end of the life of the limited partnership and measured relative to the benchmark evaluated over the life of the partnership. The benchmark may be modified to meet client needs.

IMPORTANT NOTE:

Investing in securities involves risk of loss that you should be prepared to bear. You should be aware that an investment in a private equity fund-of-funds involves a high degree of risk. There can be no assurance that the fund-of-fund's investment objective will be achieved or that a limited partner will receive a return of its capital.

B. Material Risks of Investment Strategy

Private investing involves substantial risks and, therefore, should be undertaken only by prospective investors capable of evaluating the merits and risks of such an investment and bearing the risks such an investment represents. Private investing involves risk of loss, including risk of loss of the entire investment that investors should be prepared to bear.

Set forth below is a summary of the material risks presented by our investment strategies. The following list is not a complete list of all risks involved in connection with these strategies. There can be no assurance that a private equity fund will be able to achieve its investment objectives or that the investors will receive a return on their capital.

1. **No assurance that the investment strategy at our fund-of-funds will be successful.** We have created, based on the prior experience of our firm members, a series of guidelines and an investment process for use in:

- a) evaluating a prospective investment in another private equity fund, and
- b) deciding how large an investment to make.

Nevertheless, we should point out the following:

- a) It is difficult to identify attractive investment opportunities with a high degree of certainty.
- b) There is no expectation that all investments will be profitable or that any profitable investment will produce significant returns.
- c) Market factors that contributed to positive private equity market performance in the past may cease to exist or to have the same impact in the future.
- d) In the event of a market downturn, each of the investments held by a client could be adversely affected. Underlying primary funds invested in by a fund could face reduced opportunities to sell and realize value from their existing investments and there could be a lack of suitable new investments for the underlying primary funds to make. In addition, economic downturns could make it more difficult for companies to meet their debt service obligations and satisfy financial covenants, either of which could have a material adverse effect on their businesses and negatively affect the performance of a fund.

For these reasons, there can be no assurance that our investment strategy will be successful or that our clients will avoid loss.

2. **Highly competitive market for investment opportunities.** The market to invest in emerging private equity funds is highly competitive for several reasons:

- a) Our fund-of-fund clients will compete with other active purchasers in identifying and closing on attractive private equity investments.
- b) A client may encounter private investment companies that are not open to new investors or that choose, for whatever reason, not to accept the fund-of fund's subscription.
- c) There is no certainty that we will be able to locate and complete investments that satisfy our client's rate of return objectives.
- d) There is no certainty that a client will be able to realize the values of investments it has made.
- e) There is no certainty that a client will be able to invest fully its committed capital.

For these reasons, there can be no assurance that we will be able to fully invest client commitments which is part of a successful investment strategy.

- 3. **Blind-pool investments in primary funds.** It is likely that most, if not all, of our investments made into primary funds will be committed before the primary fund has made its investment decisions. Our investments will therefore be made based entirely upon our evaluation of the capability of the managers of the primary funds. As our focus is on newer and next generation private equity managers, the primary funds will often not be successors to funds with established investment results.
- 4. **Non-controlling investments.** A client is not likely to obtain a controlling interest in a private equity fund investment. If a client is dissatisfied with the performance or management of the investment, the client may have no choice but to remain an investor until the investment terminates. Although we will monitor the performance of each investment, we may have limited opportunity to affect the operations, and therefore the profitability, of a fund in which the client invests.
- 5. **Illiquid, long-term investments.** A client's investments may periodically generate some current income. However, the client should view this as an illiquid, long-term investment and expect the following:
 - a) Any return of capital and realization of gains from an investment typically will occur only upon the partial or complete disposition of the investment, an event that is not expected to occur for several years after the investment is made.
 - b) There is likely to be no public market for the investments held by the client and a client generally will not be able to sell its investments unless such sale is registered under applicable securities laws or unless an exemption from such registration requirements is available.
 - c) In some cases, a client may be prohibited by contract from selling its investment holdings for a period of time.
- 6. **Leverage.** Our client's investments are expected to include interests in private

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equity funds whose managers will pursue a high leverage strategy over diverse economic periods through investments in companies whose capital structures may incorporate significant leverage. We will look for prudence in the use of leverage. However, the leveraged capital structure of such investments will magnify the exposure to adverse economic factors such as rising interest rates and downturns in the economy. Unless provided for in the limited partnership agreement, our clients do not undertake any leverage in support of the purchase of investments.

7. **Limited diversification.** We intend for each client to participate in a limited number of investments---perhaps as few as ten. Therefore, the aggregate return of the client may be substantially and adversely affected by the unfavorable performance of even a single investment.
8. **Non-U.S. investments.** We are unlikely to invest in private equity funds domiciled outside of the United States although a client private equity fund investment may invest in portfolio companies domiciled outside of the United States. If we do make non-U.S. investments, they will likely be a small portion of a client portfolio. Foreign securities involve certain risks not typically associated with investing in U.S. securities. These risks include:
 - a. currency exchange matters and costs associated with conversion of investment principal and income from one currency into another
 - b. differences between the U.S. and foreign securities markets, including:
 - i) potential price volatility in and relative illiquidity of some foreign securities markets, and
 - ii) the absence of uniform accounting and financial reporting standards and disclosure requirements
 - c. certain economic and political risks, including: i) potential restrictions on foreign investment, and ii) repatriation of capital and the risks of political, economic, or social instability
 - d. possible imposition of foreign taxes on income and gains recognized with respect to such securities.
9. **Control by Investments.** A fund investment (alone, or together with other fund investments) may be deemed to have a controlling position with respect to some of the portfolio companies in which it invests. This could expose the fund to liabilities not normally associated with minority equity investments. Examples of such additional risks are liability for:
 - environmental damage
 - product defects
 - failure to supervise management
 - violation of governmental regulations
 - other types of liability in which the general limited liability characteristics of business operations may be ignored.
10. **Co-investments.** M² may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third party is not involved, including the

possibility that a third party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of M², or may be in a position to take action contrary to the investment objectives of M². In addition, M² may in certain circumstances be liable for the actions of its third-party co-venturer or partner. Also, since co-investments are individual investments in portfolio companies instead of primary fund investments that are made across multiple portfolio companies, an equally sized individual co-investment may have greater risk of failure than an equally sized primary investment. This risk is mitigated by the diversification requirements of the co-investment portfolios.

- 11. Regulatory Environment.** US regulatory agencies continue to focus on the implementation of extensive financial regulatory reform legislation adopted by the US Congress following the 2008 global financial crisis. Such reforms require, among other things, increased registration and regulation of alternative management firms and disclosure with respect to such firms and the funds they sponsor that could impact a general partner's management of a fund and the management of underlying primary funds and direct investments by their manager and sponsors.

Clients should note that the outcome of US elections creates uncertainty with respect to legal, tax, and regulatory regimes in which a fund and its underlying primary funds and portfolio companies, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs during the term of a fund could have a material adverse impact on such fund and its investments.

12. Social Media. The use of social networks such as Facebook, Twitter and Instagram, message boards such as Reddit and other internet channels has become widespread within the US and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the US and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding Muller & Monroe, a Client, a Client's underlying primary funds and direct investments or their respective affiliates could result in material and adverse effects on performance.

13. Lack of Operating History. Although M² has extensive experience managing investments in the private equity and subordinated debt markets, many of the funds as well as the underlying funds in which clients expect to invest will be newly- or recently-formed entities with no significant operating history upon which to evaluate their likely performance or the likely effectiveness of their investment strategy. There can be no assurance that any such fund or underlying fund will be able to implement its investment strategy and investment approach or achieve its investment objective or that an investor will receive a return of its capital. Moreover, an investment in a fund or an underlying fund is therefore subject to all of the risks and uncertainties associated with any new business, including the risk that a fund or an underlying fund (as applicable) will not achieve its investment objectives and that the value of an investment could decline substantially. Accordingly, investors should draw no conclusions from the prior experience of M², its investment professionals, or the performance of any other client or M² investments, and should not expect to achieve similar results.

14. Reliance on Underlying Managers. The returns on our client's investments are primarily dependent upon the performance of unrelated investment managers and management teams. A significant component of our investment advisory business is selecting investments on behalf of our limited partnership fund-of-funds clients. Our clients depend on managers of the private equity funds in which they invest. Our clients generally are limited partners in underlying private equity funds and therefore do not have the ability to participate in the management and control of these private equity funds or the ability to control the timing of capital calls or distributions received from underlying funds or over investment decisions made by such funds.

- 15. Follow-On Investment Risk.** Our clients will, in certain instances, be called upon to provide follow-up funding for their primary fund investments or have the opportunity to increase its investment therein. There can be no assurance that our client will wish to make follow-on investments or that the clients will have sufficient funds to do so. Any decision by a client not to make follow-on investments or its inability to make them would potentially have a substantial negative impact on an issuer in need of such an investment or diminish such client's ability to influence such issuer's future development.
- 16. Reliance Upon Due Diligence Information from Underlying Managers and Portfolio Companies.** M² will conduct due diligence on investment opportunities. M² expects to use outside consultants, legal advisers, and accountants to varying degrees depending on the type of investment. Nevertheless, when conducting due diligence, M² will be required to rely on resources available, including information provided by such potential investment and underlying managers (often on a non-reliance basis) and, where such potential investment is relatively young, some due diligence may be subjective. Therefore, there can be no assurance that the due diligence investigations undertaken by M² will reveal or highlight all relevant facts that would potentially be necessary or helpful in evaluating a particular investment opportunity and there can be no assurance that such due diligence will result in an investment being successful.
- 17. Impact of Borrowing.** Borrowing will directly impact (positively or negatively) the return of a fund and underlying investments and increase the risks associated with an investment in fund or underlying fund. Calculations of net and gross IRRs in respect of investment and performance data included and/or referred to in performance materials, and with respect to underlying funds, as reported to limited partners from time to time, are based on the payment date of capital contributions received from the applicable limited partner or timing of investment inflows and outflows received or made by the investing entity. In instances where a fund utilizes borrowings under a fund's subscription-based credit facility or asset-backed facility (or other facility), use of such facility (or other leverage) may result in a higher reported IRR (on an investment level and/or fund level) than if the facility had not been utilized because such borrowings were used in lieu of capital contributions or in advance of related capital contributions that would only be made at a later date. Use of a subscription-based credit facility (or other long-term leverage) may present conflicts of interest as a result of certain factors and the general partner may make distributions prior to the repayment of outstanding borrowings. As a result, use of such leverage arrangements with respect to investments may provide the general partner with an incentive to fund investments through long-term borrowings in lieu of capital contributions. Moreover, the costs and expenses of any such borrowings will generally be borne as costs and expenses of a fund or underlying fund, which will increase the expenses borne by the applicable limited partners and would be expected to diminish net cash on cash returns.

Subject to the limitations set forth in the applicable governing documents, M² and/or its affiliates may choose to use subscription-based credit facilities or other lending facilities. M² may adopt from time to time guidelines relating to the use of such credit facilities. Such guidelines may include using the credit facilities to systematically defer calling capital from investors.

- 18. Fund Valuations May Fluctuate.** The valuations of the clients' investments are calculated based upon good faith assessment of the fair value of the assets. Therefore, valuations of investments for which market quotations are not readily available may differ materially from the values that would have resulted, if a liquid market for such investments had existed. Even if market quotations are available for any client's investments, such quotations may not reflect the realizable value. The clients may experience fluctuations in results from period to period due to a number of factors, including changes in the values of the underlying funds' investments, changes in the frequency and amount of drawdowns on capital commitments, distributions, dividends or interest paid in respect of investments, the degree to which the underlying funds encounter competition in their businesses, the timing of the recognition of realized and unrealized gains or losses and general economic and market conditions. As an asset class, private equity has exhibited volatility in returns over different periods and it is likely that this will continue to be the case in the future. Such variability may cause results for a particular period not to be indicative of performance in a future period.
- 19. Material Non-public Information.** As a result of the operations of M² and its affiliates, M² frequently comes into possession of confidential or material nonpublic information. Therefore, M² and its affiliates will in some instances have access to material, non-public information that may be relevant to an investment decision to be made by a client. Consequently, there is a risk that a client would be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, would have been undertaken consistent with applicable securities laws or M²'s internal policies.
- 20. Operational Risks.** M²'s ability to conduct its business effectively is subject to a variety of operational risks as it is dependent upon the ability to process client transactions and investor transactions and to provide reporting and other services to clients and investors. If any of M²'s financial controls, investment accounting or investment operations systems, or other data processing systems fail to operate properly or if there are other failures in M²'s internal processes, M² could suffer business disruption, financial loss, liability to clients, or regulatory or reputational issues. Systems failures typically result from factors that are beyond M²'s control notwithstanding the fact that M² takes precautionary measures and has in place a business continuity and disaster recovery plan. In addition, changes in legal, fiscal and regulatory regimes can occur that have the potential to adversely effect M². There can be no guarantee that M² would be permitted to, or be able to, make adjustments in its structure or investments in order to adapt to such changes. Changes in economic conditions are expected to occur during the life of a fund that can have an adverse effect on its investments, such as rising interest rates. Due to the illiquidity of the investments made by M², M² will have limited ability to adapt to any such changes in economic environment or mitigate any corresponding losses.
- 21. Risk of Misconduct of M² Personnel or Third-party Service Providers.** There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to M². Misconduct by personnel or by third-party service providers could cause significant losses to a client. Such

misconduct could include, among other things, binding a client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to a client or M². In addition, personnel and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the client's business prospects or future activities. Furthermore, because of M²'s diverse businesses and the regulatory regimes under which they operate, misdeeds by an M² entity (or its personnel) may result in foreclosing a client's ability to conduct its activities in the manner otherwise intended. It is not always possible to deter misconduct by personnel or service providers, and the precautions M² takes to detect and prevent this activity may not be effective in all cases.

GPs and their underlying funds and portfolio companies are subject to similar risks, which could have material adverse consequences for such entities, and may cause them to lose value.

- 22. Cybersecurity.** M², its service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a client and/or its investors, despite the efforts of M² and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the clients, their affiliates, and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of M², its service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third party service providers or other users of M²'s systems to disclose sensitive information in order to gain access to M²'s data. A successful penetration or circumvention of the security of M² systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the client, M², their affiliates, and/or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the investments made by the client and the companies in which they directly or indirectly invest, which could have material adverse consequences for such investments and companies, and has the potential to cause a client's investments to lose value.

- 23. Environmental, Social, and Corporate Governance ("ESG") Considerations.** When making investment decisions, M² generally assesses the ESG-related (a) practices of the underlying third party private equity managers with which the fund invest and (b) factors that are relevant to the companies in which the funds invest (including companies that the funds invest in directly or indirectly through facilitation vehicles, but not including companies in which the funds indirectly

invest through funds managed by third party managers). Further, M² generally conducts post-investment monitoring on all directly or indirectly held portfolio companies. However, unless otherwise stated in a fund's governing docs, the funds' investment strategy is not specifically intended to promote specific ESG characteristics. M²'s ESG assessments are subject to the availability of information, and there can be no guarantee that M² will have access to sufficient information to make fully informed decisions. Further, to the extent that a fund makes investments that M² considers to promote ESG goals, there can be no guarantee that positive ESG impact will result. There can be no guarantee any fund's investments will have a positive impact, or avoid a negative impact, on ESG-related factors.

24. Public Health Risks. Public health risks can affect the broader local, national, and international economy, along with M² and the issuers or companies in which the M² invests, and could give rise to force majeure conditions, the effects of which could be significant. The business environment in which M² operates has been impacted by the effects of worldwide macroeconomic uncertainty as a result of the COVID-19 pandemic. Economic activity continued to improve during 2022 and 2023 as COVID-19 cases declined worldwide and restrictions were lifted. On May 5, 2023, the World Health Organization lifted its public health emergency of international concern for COVID-19, and then on May 11, 2023, the U.S. federal government ended its COVID-19 public health emergency declaration. However, economic concerns remain as a result of the cumulative weight of uncertainty regarding the economic conditions domestically and in foreign countries, including global political hostilities and other financial crises. Inflation has become elevated, reflecting demand and supply imbalances, supply chain issues, higher energy prices, fiscal stimulus, and broader price pressures. Uncertainty surrounding the near-term direction of global markets, and the potential impact of these trends on the global economy, are expected to persist for the near term. Strategic risk, including threats to business models from rising interest rates and modest economic growth, remain high. It is difficult to predict the extent to which these challenging economic conditions will persist or whether recent progress in the economic recovery will instead shift to the potential for further decline. If the economy does weaken in the future, it is uncertain how the M²'s investments would be affected and whether M² would be able successfully to mitigate any such effects. Accordingly, public health emergencies have the potential to materially and adversely impact the value and performance of the M² investments, M²'s ability to source, manage and divest investments, and the M²'s ability to achieve its investment objectives, all of which could result in significant losses.

25. Conflict in Ukraine. The conflict in Ukraine could have an adverse impact on a fund and their investments. In addition to the humanitarian and political crisis which is unfolding, the events are adversely impacting global commercial activity and have contributed to volatility in financial, currency and commodities markets. The regional and global impact of the conflict and ensuing crisis is rapidly evolving and could negatively affect the performance of a fund's investments and present material uncertainty and risk with respect to a fund's overall performance and financial returns.

26. Past Performance Not Necessarily Predictive of Future Performance. There is no assurance that the performance of M² or the funds will equal or exceed past the investment performance of M².

Additional risks relevant to investments in the Funds are described in the applicable private offering memoranda.

C. Material Risk of Investing in Private Equity Emerging Managers

Please see the risks discussed in 8.B.

Item 9 – Disciplinary Information

Neither M² nor any employee of M² has been named in a legal or disciplinary event that is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

- A. No management persons are registered.
- B. Not applicable.
- C. Except as noted in C.2 and C.3, neither our firm nor any management person has a relationship with any related person in the categories below that would be material to our advisory business or to our clients:
 - 1) Broker-dealer, municipal securities dealer, or government securities dealer or broker
 - 2) Investment Company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund”, or offshore fund). As we have discussed, M² invests as a General Partner in each of our clients. We believe this aligns our interests with those limited partners investing in the same clients. We do not recommend that our clients invest in any private equity funds in which we otherwise may have an interest.
 - 3) Other investment advisor or financial planner.
 - 4) Futures commission merchant, commodity pool operator, or commodity trading advisor
 - 5) Banking or thrift institution
 - 6) Accountant or accounting firm
 - 7) Lawyer or law firm
 - 8) Insurance company or agency
 - 9) Pension consultant
 - 10) Real estate broker or dealer
 - 11) Sponsor or syndicator of limited partnerships.
- D. We do not recommend or select other investment advisors for our clients, but we do select the General Partners.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have adopted a Code of Ethics which applies to the firm and all supervised employees as required by Rule 204A-1 of the Investment Advisors Act. The Code establishes procedures designed: 1) to prevent members of our firm from breaching our fiduciary duty to clients, and 2) to address other situations that involve potential conflicts of interest.

Highlights of our Code of Ethics include:

- Trading prohibitions for personal accounts, including reference to our separate Insider Trading Policy
- Gift Policy (gifts given and received)
- Outside Service Policy
- Rules for reporting trading by partners/employees
- Confidentiality of all M² transactions
- Reporting Code violations by others
- E-Mail and Electronic Communications
- Social Media Policy

Our Code of Ethics and Insider Trading Policies make clear to employees:

- that we have a fiduciary responsibility to our clients first, both as a firm and as individuals; and
- the meaning of material non-public information and the potential consequences of trading on or disseminating such information

We will provide a copy of our Code of Ethics to any client or prospective client limited partner investor upon request.

B-C-D See conflicts below:

Except with respect to the one direct investment by one of our separate accounts, we always invest in clients using a limited partnership structure, under which we have a general partner in the client (i.e., limited partnership). In this structure we may have a material financial interest in the client. However, we would never have an investment interest in a primary fund separate from the investment made by the client fund-of-funds.

Pre-Mature Disposition of a Client Investment

Most of our clients have agreed to permit their respective general partners, which are subsidiaries of M², to be paid a portion of the net proceeds of the disposition of any investment. We may have an incentive to dispose of a client investment prematurely, at a time when: 1) some gain is certain, and therefore 2) some payment to our subsidiary general partner is certain. The alternative would be to wait for further development and success of the investment when the possibility of profit is jeopardized.

We, along with the general partners of each of the clients, are bound by fiduciary obligations to our clients to:

- a. maximize their opportunity for profit
- b. minimize their risk of loss, and
- c. elevate those considerations above their own financial interests as they perceive them

Our clients are investing in underlying partnerships where the general partners of such underlying funds determine when investments in portfolio companies are disposed of without explicit control or influence by us with respect to such disposition. In those cases where we control the disposition of investments, we believe that the structure of our client relationships is designed with an alignment of interests that encourages us to make decisions that are in the best interests of our clients. Our own money is at risk because we invest as the general partner of our advisory clients alongside our limited partner investors. Further, as explained in Item 6, our limited partner investors receive distribution payments ahead of us.

Investment Opportunities Allocated to More Than One Client

We will at times have to allocate investment opportunities that might be appropriate for more than one client between and among such clients. M² has established procedures to manage potential conflicts of interest related to the allocation of primary fund investment opportunities and co-investment opportunities. The current M2 policies for primary fund investments and co-investments are copied below in their entirety and may be updated from time to time.

Guidelines for Allocating Investments Among M² Client Accounts

For all new Client relationships and Client portfolios actively managed at the time of adoption of this policy, M² maintains full discretion to build each Client portfolio independently. While emerging and niche managers comprising M²'s target market are typically not reaching their fundraising cap, there are cases in which funds are oversubscribed and allocation limitations may arise. The following guidelines govern M²'s procedure for allocating investments among multiple client portfolios:

1. The investment team builds an independent portfolio construction model for each Client portfolio at inception and makes fund commitments as appropriate to meet the particular Client's portfolio construction objective. We construct client portfolios with the aim of balancing risk and reward in order to maximize the probability of achieving the performance target over the life of the Client portfolio.
2. M² may make commitments to a primary fund from multiple Client portfolios. Each such allocation is in an amount that the investment team has determined to be appropriate to meet the portfolio construction objectives of the given Client portfolio.
3. In those instances where there is a limited allocation and the primary fund is a fit for more than one Client portfolio, subject to considerations in paragraph 4 below, the allocation will be apportioned pro-rata to each Client portfolio based on the proportionate sizes of the Client portfolios for which commitments are being made. For example: if M² is allocated a maximum of \$20 million for primary fund Alpha, M² will make allocations as follows if allocating between two Client portfolios assuming portfolio construction considerations are met for both Client portfolios as detailed in paragraph 4 below:

M ² Client Fund	M ² Client Fund Size	Pro-Rata Allocation Percentage	Pro-Rata Commitment Allocation
Client Fund A	\$100	$\$100/\$300 = 33.33\%$	$\$20 \times 33.33\% =$ \$6.6 million
Client Fund B	\$200	$\$200/\$300 = 66.67\%$	$\$20 \times 66.67\% =$ \$13.7 million
Total M² Funds:	\$300		\$20.0 million

4. The investment team carefully evaluates the investment fit for each Client portfolio. As each Client portfolio is built independently with distinct timing, portfolio objectives (e.g., number of investments, average size of investments,

MWBE (Minority and Women Business Enterprises) screening parameters, geographic constraints, etc.), and other requirements, pro-rata allocations may not serve the portfolio construction objectives of certain Client portfolios. For example, a healthcare fund might be an ideal fit for Client A while Client B may already have substantial healthcare exposure. Another possible reason for a non-pro-rata allocation is that the primary fund does not meet the MWBE definition of one Client portfolio while it does meet the definition of another Client portfolio. If required for a particular client, M² will seek Client approval for non-pro rata allocations if such allocations are recommended by M²

5. The investment team documents allocations at the time final investment decisions are made. The investment team also documents the rationale for a zero allocation to a Client portfolio.

Guidelines for Allocating Co-Investments Among M² Client Accounts

This policy addresses the allocation of co-investment deal opportunities among various Co-Investment Accounts. For all new Client relationships and Client portfolios actively managed at the time of adoption of this policy, M² maintains full discretion to build each Client portfolio independently. Some accounts are structured for primary investments under a fund-of-funds structure. Others are structured for co-investments either in a separate account or under a commingled structure (proposed), together “Co-Investment Accounts”. A Client account that principally makes primary fund investments but has some co-investment authority will be considered a Co-Investment Account for purposes of this policy.

Definitions:

1. **Client Co-Investment Account:** An M² Client account structured with authority to make co-investments (either exclusively or in tandem with primary fund investments).
2. **Client Portfolio Fund:** A private equity fund investment within a Client account, and such portfolio fund makes direct investments in portfolio companies. Such direct investments may be offered to M² or other investors as Co-Investment Deals.
3. **Co-Investment Deal:** A specific potential direct investment in a portfolio company within a GP Portfolio Fund. The GP will offer the opportunity to invest

in the deal alongside the GP's investment, which is made on behalf of a Portfolio Fund or as a fundless sponsor.

4. **GP:** General Partner/Sponsor, who leads and structures a Co-Investment Deal.
5. **Co-Investment Team:** M² staff dedicated to making co-investments.
6. **Co-Investment Committee:** Members of M²'s investment team designated Investment Committee members, and who, collectively, have authority to approve M² co-investments.
7. If M² is presented an opportunity to make an investment with a limited allocation, the following guidelines will govern M²'s procedure for allocating Co-Investment Deals among Co-Investment Accounts:

1. **Independent Portfolio Construction.** The Co-Investment Team builds an independent portfolio construction model for each Client Co-Investment Account at inception and makes fund commitments as appropriate to meet the particular Client's portfolio construction objective. We construct client portfolios with the aim of balancing risk and reward in order to maximize the probability of achieving the performance target over the life of the Client portfolio. The Co-Investment Team carefully evaluates the Co-Investment Deal's fit for each Client Co-Investment Account. Each Client Co-Investment Account is built independently with distinct timing, portfolio objectives (e.g., number of investments, average size of investments, sector diversification, MWBE (Minority and Women Business Enterprises) screening parameters, geographic constraints, etc.), and other requirements. Therefore, pro-rata allocations may be counterproductive to the portfolio construction objectives of certain Client Co-Investment Accounts. For example, a healthcare deal might be an ideal fit for Client Co-Investment Account A, whereas Client Co-Investment Account B may already have substantial healthcare exposure. Another possible reason for a non-pro-rata allocation is that the Co-Investment Deal does not meet the MWBE definition or other criteria of one Client Co-Investment Account while it does meet the criteria of another Client Co-Investment Account. If required for a particular client, M² will seek Client approval for non-pro rata allocations if such allocations are recommended by M². Otherwise, all co-investment decisions will be made by the Co-Investment Committee.
2. **Allocation Among Multiple Accounts.** M² may make co-investment commitments to a Co-Investment Deal from multiple Client Co-Investment Accounts. Each such allocation is in an amount that the Co-Investment Team has determined to be appropriate to meet the portfolio construction objectives of the respective Client Co-Investment Accounts.
3. **Deal Source Allocation Priority:**
 - a. **M² Client Primary Fund and Co-investment Allocation Agreements.** If M² establishes a Client account that contractually prescribes allocation

parameters for co-investment opportunities generated by the respective Client's primary fund portfolio, M² will follow the agreed procedures for deals generated by such Client portfolio.

- b. Deals from M² Clients with M² Co-Investment Accounts.** Co-Investment Deals sourced from a Client Portfolio Fund will be allocated first to an M² Co-Investment Account funded by the same Client. If there is no Co-Investment Account funded by the Client, then the Co-Investment Team may follow portfolio construction priorities in allocating the Co-Investment Deal among active Co-Investment Accounts. If there is greater investment capacity than is available for the Co-Investment Deal, then M² will follow the Default Pro-Rata Allocation (see below).
- c. Deals from M² Clients without an M² Co-Investment Account.** For Co-Investment Deals sourced from a Client portfolio for which there is no Client funded Co-Investment, the Co-Investment Team may follow portfolio construction priorities in allocating the Co-Investment Deal among active Co-Investment Accounts. If there is greater investment capacity than is available for the Co-Investment Deal, then M² will follow the Default Pro-Rata Allocation (see below).
- d. Deals from potential GPs or third-party GPs.** Co-investments sourced from GPs with whom M² is considering making a primary fund investment or GPs not being considered actively for investment may be allocated by the Co-Investment Team following portfolio construction priorities in allocating the Co-Investment Deal among active Co-Investment Accounts. If there is greater investment capacity than is available for the Co-Investment Deal, then M² will follow the Default Pro-Rata Allocation (see below).
- e. Default Pro Rata Allocation.** In those instances where there is a limited Co-Investment Deal allocation and the deal is a fit for more than one Client portfolio, subject to considerations in paragraph 1, **Independent Portfolio Construction.** (above), the allocation will be apportioned pro-rata to each Client Co-Investment Account based on the proportionate sizes of the Client Co-Investment Accounts for which commitments are being made. For Client accounts containing primary fund and co-investment authority, the designated co-investment allocation will be used for purposes of making pro rata allocations under this policy. For Client accounts containing primary fund and co-investment authority without a restriction on co-investments, the full fund size will be used for purposes of making pro rata allocations under this policy.

For example: if M² is allocated a maximum of \$20 million for a Co-Investment Deal offered by portfolio fund "Alpha", M² will make allocations as follows if allocating between two Client portfolios, assuming portfolio

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construction considerations are met for both Client portfolios as detailed in
paragraph 1, **Independent Portfolio Construction.** (above):

M ² Client Fund	M ² Client Co-Investment Account Size (M)	Pro-Rata Allocation Percentage	Pro-Rata Commitment Allocation
Client Co-Investment Account A	\$100	$\$100/\$300 = 33.33\%$	$\$20 \times 33.33\% =$ \$6.7 million
Client Co-Investment Account B	\$200	$\$200/\$300 = 66.67\%$	$\$20 \times 66.67\% =$ \$13.3 million
Total M² Co-Investment Accounts:	\$300		\$20.0 million

- 4. Reporting.** The Co-Investment Team will document allocations at the time final investment decisions are made. The Co-Investment Team will also document the rationale for a zero allocation to a Client Co-Investment Account.

Conflicts among Limited Partners in Client Funds

Limited partners that invest in our client funds may have conflicting investment, tax, and other interests with respect to their investment in such clients. The conflicting interests of individual Limited Partners may relate to or arise from, among other things:

- a. the nature of investments made by such client;
- b. the structuring or the acquisition of investments; or
- c. the timing of disposition of investments

As a consequence, conflicts of interest may arise in connection with decisions made by us, including with respect to the nature or structuring of investments that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to limited partners' individual tax situations. In selecting and structuring investments appropriate for the client funds, and in consultation with tax professionals, we will consider the investment and tax objectives of each client as a whole and not the investment, tax, or other objectives of any limited partner.

Other Activities and Conflicts We Might Have

In addition to the existing client funds, we intend to form and manage multiple client funds and perhaps successor funds. The investment activities of the client funds (including separate accounts) managed by us may produce conflicts with each other. These conflicts could include:

- a. conflicts relative to the allocation of investment opportunities (as previously discussed)
- b. conflicts resulting from differences in the time, amount and terms of an investment by one client fund and another client fund or separate account in the same investment
- c. conflicts resulting from different objectives with respect to one client fund's private equity fund investment and another fund's or separate account's co-investment in a portfolio company in which the private equity fund may have or be making an investment

These types of conflicts could influence us and the general partner with respect to the making or disposition of the client's fund investment's holdings.

We might be tempted to devote more time to the affairs of one client over another and to seek out opportunities for the higher-paying client in lieu of doing so for one or more other clients. Pursuant to our fiduciary duty to each client, we intend to allocate our time and energy fairly among all clients at all times without regard to compensation differences.

Investments by Our Non-Employee Investors

We have passive owners who are wealthy individual investors who actively invest in private equity (“Non-Employee Investors”). These Non-Employee Investors are not related to anyone at M². It is possible that a Non-Employee Investor may independently invest in client fund investment or fund investment Portfolio Company with or without our knowledge. A Non-Employee Investor may also make such an investment based on knowledge that we previously invested client funds in such private equity funds or fund investment portfolio companies.

We intend that our investment decisions on behalf of clients will be made independent of any knowledge of the investments of Non-Employee Investors and that any such overlap will be coincidental and will not adversely affect client interests or our ability to protect such interests. All equity owners of M² active in the day-to-day management of the firm are subject to our Insider Trading Policy, which prohibits executives and employees from trading on the basis of confidential information in securities owned by us or any client fund.

We have adopted a Conflict Identification Policy. This Policy includes procedures that address possible investments with Non-Employee Investors. We will attempt to identify if Non-Employee Investors are already investors in the investments we make for client portfolios. However, our due diligence and decision-making for client investments are made independent of coincidental co-investment with Non-Employee Investors.

Service on Limited Partner Advisory Committees

We sit on nearly all of our underlying primary funds’ limited partner advisory committees. Although the duties of a limited partner advisory committee vary depending upon the specific terms of the various primary funds’ limited partnership agreements, the limited partner advisory committees frequently approve either the general partner’s valuation of the fund’s portfolio companies or approve the primary fund’s valuation methodology. In almost all cases, our primary funds are required under generally accepted accounting principles to value their investments at fair market value. In those cases where the limited partner advisory committee has the right to approve a primary fund’s valuation, the limited

partner advisory committee could potentially influence the valuation of an underlying primary fund. As this is the case, the Adviser's representation on these advisory committees may result in a conflict of interest as it could tempt us to vote to approve a valuation resulting in a higher valuation for the primary fund's investment and thus a higher valuation for our fund's investment in that primary fund.

Item 12 – Brokerage Practices

A. Factors for Selecting/Recommending Broker-Dealers for Client Transactions

We are subject to investment limitations outlined in the Limited Partnership Agreement of each Client Fund. Since we make private equity investments for client portfolios, we do not expect to use broker-dealers for purchases of securities; however, we may select and use broker-dealers to execute transactions for client portfolios if necessary, to liquidate public securities held in a portfolio. Such transactions would typically consist of portfolio securities in companies: 1) that went public during the life of a Client Fund; and 2) in which the client's portfolio received distributed public securities instead of cash. In such situations, we will typically convert the securities to cash as soon as practicable and distribute the proceeds to client investors in the Client Fund. We will seek to obtain best execution in the event we have this type of transaction in the future. We do not receive research or other products or services in connection with these transactions.

- B. We have made in the past and will continue to make from time to time in the future the same private equity investment on behalf of more than one client fund. This situation occurs when we find a private equity fund investment that we consider suitable for more than one client portfolio. Each client's limited partnership agreement provides for the manner in which an investment will be shared between more than one client fund. Usually the allocation is based on the relative size of each client fund (committed capital) but may take into account other factors. Please see M²'s policy, "Guidelines for Allocating Investments Among M² Client Accounts", included herein.

Item 13 – Review of Accounts

A. Review of Client Accounts

We perform different review steps of client accounts on a weekly, monthly, quarterly, and periodic basis. The investment team performs reviews of accounts pursuant to the process outlined in this section ("Active Oversight Process"). The process of making and overseeing co-investments is similar to primary fund oversight, so this section also applies to the active oversight of co-investments .

Weekly - The investment team has weekly investment meetings that address all aspects of the investment process including the following:

- 1) administrative issues
- 2) Primary Fund (private equity or venture capital funds we have invested in) actions (e.g., annual meetings, period update calls, periodic reporting (quarterly and annually))
- 3) limited partner advisory committees (limited partner committees at Primary Funds) duties (e.g., conflicts of interest, valuations, special governance approvals, etc. as mandated in Primary Fund partnership agreements)
- 4) prospective investments currently being negotiated
- 5) prospective investments in the active due diligence stage
- 6) prospective investments in the screening and preliminary due diligence stages

Quarterly - The investment team conducts quarterly calls with private equity funds in which we have invested on behalf of our clients during their investment period and, unless the fund is underperforming, in most cases on a quarterly basis thereafter. The purpose of these calls is to ensure that the status of each fund investment is adequately evaluated and monitored. We inquire about each individual portfolio company at each private equity fund in which one of our clients has an investment, as well as about deal flow, overall pricing and other market dynamics the fund is encountering. These conversations are then shared with the rest of the investment team at the weekly investment meeting, as necessary.

Semi-annually - The investment team holds a portfolio review meeting on a semi-annual basis. The lead investment officer for each private equity fund investment in the client portfolio reports on the investment and makes recommendations for actions to be taken, if any.

Annually – The investment team instructs each primary fund general partner to complete an “Annual GP Questionnaire”. This short document enables us to affirm key aspects of the investment structure, strategy, and economics to ensure that there have no material

adverse changes. We review the response from each general partner and act on the specific findings, if necessary, by discussing changes with the general partner.

Periodic – Annual Meetings of private equity fund investments of each client are attended by the lead investment officer for that investment or by another member of the investment team. In addition, a member of the investment team attempts to meet annually with a key member of each client fund investment on an informal basis. This is an opportunity for us to have a one-on-one, in-person conversation with a key investment professional in addition to the conversations we have at the more public annual meeting. The Back Office will review quarterly financial statements of the primary funds to ensure compliance with Limited Partnership Agreements and interact with primary fund personnel as needed.

Supervised Review Persons

Our investment team is made up of (i) Irwin Loud, Chief Investment Officer, (ii) Marcia Markowitz, Managing Director, (iii) Alfred Sharp, Managing Director, (iv) Gregg Walker, Managing Director, (v) Joe Bates, VP Investments, (vi) Mena Poonaki, Senior Associate Investments, and (vii) Jeff Sullivan, Deal Flow Coordinator. Anthony Nanni, Director of Finance and Chief Compliance Officer and Daniel Krzak, Controller and Director of Portfolio Analytics, also assist the investment team. The team collaboratively participates in our Active Oversight Process, which includes our review of client accounts. All of the members of the investment team contribute to the periodic review of client accounts. Mr. Walker oversees co-investments. Mr. Rice provides overall supervision of our entire investment team.

- B. Client accounts would be reviewed on an exceptional basis if an extenuating circumstance were to occur such as:

- 1) A client investment is put on a “watch” list, for reasons described below
- 2) A limited partner investor of a client requests a special analysis of the client fund

Under the above circumstances, the investment team makes the determination that an alternative analysis and monitoring scenario is appropriate.

We place an investment on a watch list for a number of reasons, which may include:

- 1) Organization issues (key man event, high turnover)
- 2) Performance issues
- 3) Slow deployment of capital

- C. We provide each client with a year-end audit report prepared by our external auditors, RSM US, LLP. We prepare for our clients on a quarterly basis a written report which includes the following:

Part 2A of Form ADV: Firm Brochure

- 1) Letter to Limited Partners
- 2) Financial Statements (Q1-3 unaudited; Q4 audited)
- 3) Portfolio Summaries
- 4) Partners' Capital Allocations
- 5) Primary Fund Profiles

Item 14 – Client Referrals and Compensation

- A. No one who is not a client provides to us any economic benefit for providing investment advice or other advisory services to our clients.
- B. We do not have arrangements for client referrals. Subject to applicable laws, regulations, and policies, we may enter into an agreement to pay a “finder’s fee” to someone who introduces a large institutional investor to us as a potential investor in a client co-mingled fund-of-funds or engages us to create a separate client account fund-of-funds. We would pay this fee from our own funds.

We would expect compensation for this type of arrangement to be substantially as follows:

- 1) We would pay a fee of 1% of assets committed by investors introduced by the finder or an amount equal to the expected average annual management fee over the life of client fund.
- 2) The 1% (or applicable) placement fees would be payable in three installments:
 - a) after the first capital call for investment and/or management fee purposes, in which introduced investor participates
 - b) at the one-year anniversary of the first payment
 - c) at the two-year anniversary of the first payment

In the event an investor would not fulfill its commitment to the client fund, we would not be obligated to pay any remaining finder’s fees.

We will at all times comply with Rule 206(4)-3 of the Act. We will not engage any firm or individual for introduction to potential investors in client funds unless that firm or individual:

- 1) has completed any required registration as an investment advisor and/or a broker/dealer under the applicable laws and regulations of any state or federal regulatory authority, or
- 2) has complied with all other applicable legal requirements

Item 15 – Custody

We do have custody of client funds and securities. A qualified custodian provides monthly on- line statements to M² as the manager via access to the custodian's website. We carefully review statements received from the qualified custodian by comparing the account statements prepared by us with those prepared by the qualified custodian.

We provide annual audit reports and quarterly reports to the limited partner investors in our clients.

Item 16 – Investment Discretion

We do accept discretionary authority to manage securities accounts on behalf of clients. Investment limitations placed upon us by our clients are dictated by the client's limited partnership agreement. As part of our closing set of documents for any client fund, we execute a management agreement to manage the securities account on behalf of each client in accordance with that client's limited partnership agreement.

Item 17 – Voting Client Securities

1. Other than one direct portfolio company investment held by one of our separate account clients, our clients hold limited partnership interests of primary funds and co-investments. See below for commentary on co-investment voting and potential conflicts.
2. Primary Funds voting and potential conflicts of interest. Holders of primary fund interests generally form a limited partner advisory committee, of which M² is usually a member. Voting situations occur when: 1) all limited partners or 2) the advisory committee only, is required to vote specific issues covered by the limited partnership agreement.

In the event we are required to vote client securities, the issue to be voted on is discussed at the weekly investment team meeting. The outcome of this discussion--our voting position--is documented in the investment files. Under the Limited Partnership Agreement M² has full discretion and authority to vote on these matters on behalf of the clients.

M² has a conflicts of interest policy that is designed to address the rare circumstances in which a potential conflict may arise. In some cases, client investments will require a vote approving the valuation of underlying securities. In others, client investments require the advisory committee to approve valuation methodologies or the committee has the right to object to the valuations of the underlying investment managers. M², in voting on behalf of clients, is only one of several advisory board members making the determination. While there is the remote possibility that M² could influence such valuation with votes in our own best interest, we believe that the risk of such a conflict is extremely rare or non-existent. In most cases, the advisory committee acts in concert on behalf of client interests and is rarely influenced by the personal interests of the managers of the clients, such as M². Further, as a general partner in each client, M² has interests that are fully aligned with the limited partners because, by the compensation structure, they should all benefit from a successful investment.

Clients authorize us to vote all proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested from time to time. We have adopted "Proxy Voting Policies" pursuant to Rule 206(4)-6 under the Investment Advisers Act, a copy of which is available to clients upon request. We will vote any proxy or other beneficial interest in an equity security prudently and solely in the best long-term economic interest of advisory clients and their beneficiaries, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. Clients may obtain a record of our proxy votes free of charge by writing to us at the address provided at Item 1.

3. Co-investment voting and potential conflicts of interest.
Co-investment voting and conflict of interest resolution similarly follows review and

decision process used for primary fund investments at M², however, there are obvious differences due to the fact that co-investments are interests in portfolio companies. Specific voting and conflict of interest for co-investments are as follows:

- a. M² does not expect to be on the board of directors of any co-investment portfolio companies and M², as co-investor, will not be on the limited partner advisory committee of co-investment-sponsored funds. If M² is an investor in the primary fund that sponsored the co-investment, then M² would vote on behalf of the primary fund. M² will vote its interest as a shareholder on behalf of an M² Client Fund in each co-investment in such cases as they may arise.
- b. Any co-investment-related conflicts of interest will be identified, reviewed and discussed by the investment team. Conflict of interest situations pertaining to co-investments that require a vote will be decided by the Co-Investment Committee.

Item 18 – Financial Information

- A. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. We have discretionary authority and custody of client funds.
- C. We have not been the subject of a bankruptcy petition at any time during the life of our firm.