



## Part 2A of Form ADV Brochure Document

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of McGinty Road Partners, LP. If you have any questions about the contents of this brochure, please contact us at (651) 294-4574. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

## **Item 2 - Material Changes**

This brochure, dated March 27, 2024, contains routine annual updates to the prior brochure and amendments to Item 5 (Fees and Compensation).

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## Item 4 - Advisory Business

McGinty Road Partners, LP (“MRP” or the “Adviser”) was formed in September 2017 and is registered as an investment adviser with the SEC. As of 12/31/2023 MRP had \$439,711,945 of gross assets under management, \$41,033,050 of uncalled commitments, totaling \$480,744,995 of Regulatory Assets Under Management (RAUM).

MRP, a Delaware limited partners is owned by the firm’s Partners: Jeff Leu, John Seibel, Dave Ellingrud, Jim Musel and Tiffany Parr, who has left the firm at the end of 2022. The Adviser’s principal place of business is located in Minneapolis, Minnesota.

As of this date MRP provides discretionary investment management services to five pooled investment vehicles or private investment funds (the “Funds”), the securities of which are offered to qualified institutional and high net-worth investors on a private placement basis.

The Adviser is responsible for evaluating, selecting, and monitoring the Funds’ investments, and for providing day-to-day managerial and administrative services to the Funds. Applicable governing documents for each of the Funds govern MRP’s investment advisory activities, including investment restrictions. In connection with a particular investor’s subscription for interests in the Funds, the Adviser or General Partner may enter into a side letter or other similar agreement with such investor with respect to the Fund that would have the effect of establishing rights under, or altering or supplementing the terms of, the Fund’s operating agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors. The terms of such side letters may include the waiver of all or any portion of MRP’s management fees and carried interest with respect to an investor. Any rights or terms so established in a side letter with an investor will govern solely with respect to such investor and will not require the approval of any other investor.

The Adviser focuses on private credit opportunities, particularly in the market segments that the Adviser believes are underserved by both traditional sources of capital and other alternative asset managers. The Adviser primarily uses the following investment strategies to manage the Funds’ capital:

- Equipment Finance – investments in loans and leases to companies secured by mission critical equipment;
- Loan Portfolios – secondary purchases of commercial and industrial, commercial real estate, and equipment secured loans, leases and assets; and

Corporate Credit – Focus on low volatility, free cash flowing, secured public corporate debt in industries that MRP has an edge.

The Funds invest their capital primarily through other investment vehicles and their subsidiaries. The General Partner, on behalf of the Funds, retains one or more third parties to provide loan servicing, asset management and other ancillary services. The General Partner may contract with its operating partner and affiliate, Allegiance Financial Group, Inc. (“Allegiance”). Allegiance, a full-service equipment finance platform focused on commercial equipment loans and leases, was

founded by Mr. Seibel in 2001. Messrs. Seibel, Leu, and Ellingrud own Allegiance. The Adviser will, pursuant to the terms of a Right of First Refusal Agreement entered into by and between the Investment Manager and Allegiance (the “ROFR Agreement”), have a right of first refusal on all investment opportunities of \$500,000 or more sourced or originated by Allegiance that fall within the investment strategy of any account or investment vehicle managed or advised by the Adviser. The Adviser will review each investment opportunity and determine if it aligns with the investment strategy, portfolio composition and return requirements of the Funds or any other account or investment vehicle managed or advised by the Adviser. If the investment opportunity meets Fund’s requirements, the Fund will generally participate in the investment opportunity through one or more joint venture entities that will be beneficially owned by the Fund, one or more other accounts or investment vehicles managed or advised by the Adviser, and Allegiance. If the General Partner determines, in its discretion, not to pursue an investment opportunity presented to the Funds by Allegiance, Allegiance may pursue such opportunity without the Funds’ participation. Allegiance has a co-investment right under the ROFR Agreement whereby it is expected (but is not required) to invest for its own account, in any investment opportunity that falls within the investment strategy of a Funds or any other account or investment vehicle managed or advised by the Adviser that is identified by Allegiance that the Adviser elects to pursue for the Funds or such other account or investment vehicle, on terms and conditions no more favorable than those available to the Funds. The co-investment by Allegiance is expected to be 2% of the aggregate investment made by the Fund and Allegiance in such opportunity. Allegiance will bear its share of expenses incurred in connection with any such co-investment.

From time to time pursuant to the terms of the Fund governing documents, the Adviser and the General Partner may, in their sole discretion, provide co-investment opportunities to Funds’ investors, strategic investors, consultants, advisors, lenders, third parties, certain affiliated services providers or others. The Adviser may form separate investment vehicles for the purpose of making those co-investments.

## **Item 5. Fees and Compensation**

The compensation each Fund pays MRP is set forth in each Fund's Offering Documents. From time-to-time MRP may negotiate the fees for each Fund it manages, MRP charges a management fee (the "Management Fee") and a performance allocation or fee ("Carried Interest") consisting of a percentage of realized and/or unrealized profits (subject in certain Funds to hurdle rates, high watermarks and holdback and clawback provisions as defined by the respective Offering Documents). Employees invested in the Funds may not be charged such Management Fees or Carried Interest. For further information about Carried Interest, see Item 6 – Performance-Based Fees and Side-By-Side Management. MRP charges a Management Fee to Investors that varies pursuant to the terms of each Fund's Offering Documents. The fees associated with an investment in a Fund vary, depending on the Fund, and are described in detail in each Fund's Offering Documents. Current management fees for the Funds range between 1% and 1.75% of committed, contributed or invested capital, or net asset value. Current Carried Interest ranges between 15% to 20%. Please consult the respective Fund documents for accurate information regarding fees. Management Fee calculations may vary depending on a particular Fund's stage in its life cycle. The Management Fee is calculated on a beginning of quarter methodology and is paid quarterly in advance. MRP may, in its sole discretion, waive or reduce the Management Fee or Carried Interest and distributions to Investors will be adjusted accordingly. MRP may also charge a Management Fee that is higher than, lower than, or otherwise on different terms than those described above.

### **Management Fee Offset**

The Adviser or the General Partner may also receive transaction, investment banking, consulting, advisory, monitoring, break-up, directors' and other similar fees ("Transaction Fees"). The Transaction Fees, net of un-recouped expenses that the Adviser has elected to pay on behalf of the Funds, reduce the following quarterly management fee. Any placement agent fees paid directly by the Funds will also offset the management fees. If such offsets would reduce the quarterly management fee below zero, the offsets would be carried forward and used to reduce the following quarterly management fee.

Transaction Fees do not include any of the fees (including broken deal expenses) that MRP has elected to share with the Funds, and any fees paid to Allegiance for loan servicing, asset management and other ancillary services.

### **Performance-Based Fee or Carried Interest**

Please see Item 6 below, the "Performance-Based Fees and Side-by-Side Management" section, for the discussions on the carried interest.

In its discretion, the Adviser may waive or reduce carried interest for its own capital. As noted above, MRP GP or the Adviser may enter into side letters with investors which include the waiver of all or any portion of carried interest.

### **Fundraising and Organizational Expenses**

The Funds bear all costs and expenses incurred in connection with the organization of the Funds,

and the respective General Partner. These costs and expenses include legal and accounting fees, printing costs, travel and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests (“Organizational Expenses”), up to a certain amount. Organizational Expenses will be allocated among the respective Fund’s investors on a pro rata basis. Any Organizational Expenses that exceed the cap amount will be borne and paid directly by MRP. The excess Organizational Expenses may also be paid initially by the respective Funds and then reimbursed by MRP through an offset to the management fee or other means. The Organizational Expenses, however, exclude those costs and expenses associated with negotiating and entering into any side letters (including any legal opinions related thereto). Please refer to the Fund governing documents for more details on the organizational expense cap amount, as well as expenses permitted to be borne by the Funds.

### Fund Expenses

Except as otherwise provided herein, and in consideration of the Management Fee, the General Partner and the Adviser each pays all of its own operating and overhead costs, without reimbursement by the Funds. The Funds pay, or reimburse the General Partner and the Adviser for, all other costs, fees and expenses arising in connection with the Funds’ operations and investments.

Funds Expenses: The Funds bear and are charged with all costs and expenses of the Funds’ operations, including without limitation:

- (i) Management Fees;
- (ii) Organizational Expenses;
- (iii) fees, costs and expenses of any administrators, custodians, attorneys, accountants, tax advisers, consultants, agents, valuation experts, data providers (including related systems and services from such data providers and data management software, including, but not limited to, systems, services and software provided by Debtwire Bloomberg and other similar subscription and software service providers) and other advisers and professionals (including audit and certification fees, any costs associated with FATCA and BBA compliance);
- (iv) all out-of-pocket fees, costs and expenses, if any, incurred in developing, bidding on, evaluating, negotiating, structuring, obtaining regulatory approvals for, originating, purchasing, trading, settling, monitoring, maintaining custody of, holding, securitizing and otherwise disposing of actual investments, including without limitation any financing, legal, accounting, advisory and consulting expenses in connection therewith (to the extent not subject to any reimbursement of such costs and expenses), any costs and expenses arising from any foreign exchange or other currency transactions, any transportation, meal and lodging expenses of the personnel of the respective General Partner and the Investment Advisor, and any insurance or indemnity expense (including D&O, E&O, fidelity bond and other insurance premiums);
- (v) any fees, costs and expenses paid to third parties (including Allegiance) to provide loan servicing, asset management and other ancillary services;
- (vi) Broken Deal Expenses (including any portion attributable to co-investors), to the extent not reimbursed by an entity in which the respective Fund has invested or proposes to invest or other third parties; bank service fees and other investment costs, fees and expenses actually incurred in connection with actual investments;
- (vii) principal amounts of, and interest on, fees and expenses in connection with or arising out of all indebtedness and other borrowings or guarantees made by the respective Fund, including, but not limited to, the arranging thereof;

- (viii) brokerage commissions, prime brokerage fees, custodial expenses, other
- (ix) the costs of any litigation, directors and officers liability or other insurance (including, the respective Fund's share of any premiums for insurances maintained by McGinty Road) and indemnification (including any indemnification expenses of any finders and/or placement agents of the respective Fund, which, to avoid any doubt, shall not be deemed Organizational Expenses) or extraordinary expense or liability relating to the affairs of the respective Fund or any investment;
- (x) expenses of winding up and liquidating the respective Fund;
- (xi) any taxes (including, without limitation, any unincorporated business franchise tax and any other entity-level taxes, taxes imposed under FATCA or other similar laws, resulting from the status, action or inaction of an investor, and amounts imposed under the BBA), fees or other governmental charges levied against or payable by the respective Fund and all expenses incurred in connection with tax return preparation and reporting and any tax audit, investigation, settlement or review of the respective Fund (including any costs associated with compliance with FATCA or other applicable financial account information reporting regimes);
- (xii) costs of holding any meetings of investors and the expenses of the Investor Advisory Committee;
- (xiii) to the extent not otherwise paid by McGinty Road, the placement fees due to any finder and/or placement agents (whether independent or employed by McGinty Road) engaged by McGinty Road in connection with the offer and sale of interests in certain Funds; provided that any such placement fees borne by a Fund shall reduce the Management Fee pursuant to the respective Fund documents;
- (xiv) all out-of-pocket fees, costs, expenses and liabilities, if any, incurred in connection with the P respective Fund's legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law or regulation (including, without limitation, Form PF and reports, disclosures, filings and notifications prepared in accordance with the AIFM Directive and anti-money laundering laws and regulations);
- (xv) all fees, costs, expenses and liabilities related to the organization, operation or maintenance of any investment level entity used to acquire, originate, service, hold or dispose of any investment or otherwise facilitate the respective Fund's investment activities, including without limitation any travel and accommodation expenses related thereto; the salary and benefits of any personnel reasonably necessary for the operation or maintenance of such entity; or overhead and other expenses in connection therewith;
- (xvi) costs and expenses associated with negotiating, entering into and complying with any side letters (including any legal opinions related thereto) and administering any "most favored nations" clauses in any side letters;
- (xvii) any and all expenses incurred in connection with the maintenance of the books and records of the Partnership or an alternative investment vehicle, their reports, tax returns, Schedule K-1s (or similar schedules) and non-U.S. tax forms;
- (xviii) any and all expenses incurred in connection with administrative proceedings relating to the determination of respective Fund's items at the respective Fund level undertaken by the respective Fund representative;
- (xix) any and all expenses incurred in connection with any amendments, modifications, revisions, or restatements to the constituent documents of the respective Fund;
- (xx) any and all expenses incurred in connection with any valuation of the assets of the respective Fund;



- (xxi) any and all expenses incurred in connection with distributions to investors;
- (xxii) any and all expenses related to the respective Fund's indemnification obligations pursuant to respective Fund's governing documents;
- (xxiii) any and all filing and similar fees;
- (xxiv) costs and expenses associated with litigation, arbitration and similar proceedings involving the respective Fund; and
- (xxv) costs of preparing, printing and distributing reports to, or responding to information requests from, investors, and any communications with the investors (including costs of any virtual data room established for investors).

With respect to affiliated and unaffiliated service providers or operating partners, the Funds will bear the costs of engaging such service providers. These costs are in addition to management fees and carried interest. Compensation to Allegiance will consist of servicing fees at a rate based upon Allegiance's historical and existing arrangements with third parties, which is anticipated to be (i) no more than 2% of collections for loans or loan portfolios originated and (ii) no more than 4% of collections for loans or loan portfolios acquired. Allegiance will be responsible for its internal operating expenses, including but not limited to, compensation of its employees.

All Fund Expenses will be allocated among the investors pro rata in accordance with commitments as of the end of the calendar quarter in which such fee is incurred.

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

As noted in Item 5, MRP and the General Partner receive performance-based fees, referred to as carried interest, from the Funds. The carried interest ranges from 15% to 20% and is different for each fund and is detailed in each fund governing documents.

The carried interest provides the Adviser with an incentive to engage in more speculative investment strategies to maximize gross profits, which lead to greater compensation. Due to the nature of the Fund's investments, a significant portion of asset valuations are based on internal analyses. These analyses are inherently subjective. Changes in underlying assumptions and/or economic and market factors may have a material impact on the returns on which carried interest is calculated. Certain fees payable to the Adviser and/or the General Partner are based on the value and performance of Funds assets. The Adviser has adopted and implemented a valuation policy and associated procedures that govern the pricing of securities and other assets held by the Funds (the "Valuation Policy and Procedures"). The Valuation Policy and Procedures generally provide that liquid investments will be valued at readily available market values. For assets that lack such a readily available market value, the Valuation Policy and Procedures require MRP to fair value the assets using various methodologies discussed in the Valuation Policy and Procedures. MRP has considerable discretion when valuing those illiquid assets, and consequently, faces a conflict of interest. MRP's valuation can impact certain fees payable to the Adviser, as well as the Funds' performance returns. The Adviser's valuation may be different from those performed by other investment advisers applying their own judgment at different or similar dates. There is no guarantee that the valuations determined by the Adviser represent values that can or will be realized in a sale or exchange of investments with an independent third party. The Adviser shall document its valuation decisions and review them on a periodic basis. Annually, the Adviser's valuations will be reviewed in connection with each Fund's independent external audit.

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

The Adviser provides investment advisory services to private funds. Underlying investors in the funds may include, but are not limited to, institutional investors such as trusts, endowments, foundations, corporates, sovereign wealth funds, pension and profit-sharing plans, as well as to high net worth investors. All investors, among other requirements, must be: (i) accredited investors as defined in Rule 501(a) of Regulation D under the Securities Act of 1933; and (ii) either qualified purchasers as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), or knowledgeable employees as defined in Rule 3c-5 under the Investment Company Act.

A minimum initial capital contribution is disclosed in the respective Fund’s Confidential Private Placement Memorandum, and the fund generally requires a limited partner to contribute a minimum of USD \$5 million in capital commitment. However, MRP or the General Partner may reduce or waive the minimum new investment requirements for the Fund’s investors, and intends to waive such requirements for MRP and its affiliates, employees or owners, as well as their family members.

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

### Methods of Analysis and Investment Strategies

As previously discussed under Item 4 or the Advisory Business section of this brochure, the Adviser manages the Funds' assets under investment strategies that can be categorized as follows: Equipment Finance, Loan Portfolios and Corporate Credit. MRP will focus primarily on investments within North America. The Funds are subject to investment guidelines under the respective Fund's Offering Documents. Please see Item 4 for more discussions on the investment strategies that the Adviser uses to manage the Funds' assets.

The Adviser believes a focus on smaller-sized transactions, which are believed to be often overlooked or not addressed by the increasing number of AUM-growth focused managers, represents an opportunity to generate returns. The Adviser believes that a gap exists in the market segment for a firm focused on these smaller transactions in less efficient corners of the market. The Adviser employs a value-oriented, absolute return focused, credit strategy for the Funds. The Adviser employs a disciplined investment process and leverages the Partners' skills and strengths to execute these investment strategies. The investment process starts with sourcing and screening, followed by due diligence before the Partners review and approve an investment. The due diligence work is usually performed in house, however, from time to time, the Adviser employs external resources to leverage specific pockets of expertise. The Partners review all potential investments on an ad hoc basis. Unanimous approval from the Partners is required to undertake an investment (the CIO has the ability to override one "no" vote from a Partner).

**Potential investors should be aware that investments in the Funds involve a high degree of risk and each investor should carefully consider the risks discussed below. There can be no assurance that the Funds' investment objective will be achieved, that an investor will receive a return of its capital, or that the Funds will otherwise be able to carry out their investment program. In addition, there will be occasions when the General Partner and its affiliates may encounter potential conflicts of interest in connection with the Funds. The considerations below set forth some, but not all, of the risks and potential conflicts of interest. These risk factors should be carefully evaluated before making an investment in the Funds.**

### Risk of Loss

***Risks Related to the Investment Strategies.*** Potential investors should be aware that investment in the Funds involve a high degree of risk and each investor should carefully review the respective Fund's documents and consider the following risks. There can be no assurance that the Funds' investment objective will be achieved, that a Limited Partner will receive a return of its capital, or that the Funds will otherwise be able to carry out its investment program. In addition, there will be occasions when the General Partners and its affiliates may encounter potential conflicts of interest in connection with the Funds. The following considerations set forth some, but not all, of the risks and potential conflicts of interest. These risk factors should be carefully evaluated before making an investment in a Fund.

***No Assurance of Investment Return.*** The General Partner and MRP cannot provide assurance that they will be able to choose, make, and realize investments in any particular opportunity. There can

be no assurance that the Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of transactions described herein. There can be no assurance that any investor will receive any distribution from the Funds. Accordingly, an investment in the Funds should only be considered by persons who can afford a loss of their entire investment. The Funds themselves are recently formed entities and have no operating history. There can be no assurance that the General Partner will be successful in executing the Fund strategy, and notwithstanding prior experience of MRP, past performance is not indicative of future results.

***Highly Competitive Investments and High Degree of Uncertainty.*** The business of identifying and structuring the types of investments targeted by the Fund is highly competitive and involves a high degree of uncertainty. The Fund's success will depend, in part, on the ability of the Investment Advisor to originate or purchase investments on advantageous terms. The Fund may compete with a broad spectrum of lenders and sources of capital, including other private investment vehicles as well as the public debt markets, individuals, banks and other financial institutions, business development companies, strategic industry acquirers, hedge funds and other institutional investors, some of which may have substantially greater financial resources and are more well-known than the Fund. Increased competition for, or a diminishment in the available supply of, qualifying loans or bonds could result in lower yields on investments, which could reduce returns to investors.

Further, over the past several years, an increasing number of competitors have been formed and/or expanded (and many such existing competitors have grown in size) and such competitors have also become more active in the markets targeted by the Fund. These investors may make competing offers for investment opportunities identified by the Investment Advisor. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of such competitors may have more relevant experience, greater financial resources and more personnel than the General Partner, the Investment Advisor and the Fund. In addition, some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Fund. In addition, certain competitors may prefer to take advantage of favorable high yield or second lien markets and issue subordinated debt in those markets, which could result in fewer investment opportunities for the Fund. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Fund. Such competition may adversely affect the terms upon which investments can be made and, as a result, returns to investors may be reduced.

Moreover, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. The Fund may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisers.

It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. Even if such investments are made, there can be no assurance that such investments will be realized at favorable returns or that the objectives of the Fund will be achieved. Moreover, the Investment Advisor's beliefs regarding the availability of investment opportunities for the Fund are based in part on assumptions regarding the amount of financing that will be available, the Fund's ability to participate in such investments and other market, economic and

related assumptions, some or all of which may not materialize as expected.

***Global Financial Market Conditions.*** The Funds' strategy rely, in part, upon general economic forces that are outside the control of the General Partner or the Advisor. No assurance can be given that investments can be disposed of at favorable prices. Fluctuations and declines in the global financial markets could adversely affect the returns of the Funds. Inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage markets in the U.S. and other countries, declines in the residential real estate market in the U.S. and other countries and disease, pandemics or other severe public health events could contribute to increased volatility and diminished expectations for the U.S. and world economy and the financial markets. It is not possible to predict how long current economic conditions will continue, whether the financial markets and economic conditions will deteriorate or the magnitude of the long-term impact, if any, of such conditions on the financial markets, and economic conditions generally. The Funds may be subject to market risks which the Advisor and the General Partner are not able to plan for or mitigate. For example, there have been outbreaks in several countries, particularly the United States, of the highly transmissible and pathogenic novel coronavirus. The outbreak of such communicable diseases could result in a widespread health crisis that could adversely affect general commercial activity and the economies and financial markets of many countries. These factors may affect the level and volatility of securities prices and the liquidity and the value of investments and have a material adverse effect on the Funds.

***Pandemic and Market Disruption.*** The investment industry has been materially affected by conditions in the global financial markets and economic conditions or events throughout the world related to COVID-19 pandemic, including but not limited to, economic uncertainty, slowdown in global growth, changes in laws (including laws relating to taxation and regulations on the financial industry), related trade and travel barriers, commodity prices, currency exchange rates and controls, other national and international political circumstances and related consequences. The outbreak of such a significant communicable disease has resulted in a widespread health crisis that has adversely affected general commercial activity and the economies and financial markets of many countries both directly and indirectly through impacts on the supply chain from affected countries. These factors have affected and may continue to affect the level and volatility of securities prices and the liquidity and the value of investments and have a material adverse effect on the Funds.

***Economic, Social and Political Uncertainty.*** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections.

***Debt Obligations.*** The Funds anticipate that they will principally hold debt obligations in portfolio companies and, therefore, may have a limited ability to manage the risk profile of the Funds' investment in such portfolio companies. However, the Funds will seek appropriate creditor rights to help protect the Funds' interests in such portfolio companies. The mere fact that the General Partner disagrees with decisions made by a portfolio company likely will not trigger any particular ability of the Funds to dispose of its investment in such portfolio company, with the result that the value of the Funds' investment in a portfolio company may be materially impacted by the decisions

of other investors.

***Investments in Private, Lower Middle-Market Companies are Risky.*** Investment in private, lower middle-market companies involves a number of significant risks. Generally, little public information exists about these companies, and the Funds will rely on the ability of MRP to obtain adequate information to evaluate the potential returns from investing in these companies. If MRP is unable to uncover all material information about these companies, MRP may not make a fully informed investment decision, and the Funds may lose money on its investments. Lower middle-market companies may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that the Funds hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Funds realizing the proceeds of any collateral or any guarantees MRP may have obtained in connection with the Funds' investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, such companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on one or more of the portfolio companies the Funds invest in and, in turn, on the Funds. Lower middle-market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Investment in lower middle-market companies therefore involves a high degree of business and financial risk, which can result in substantial losses, and accordingly, should be considered speculative.

***Loans to Private Companies that are Illiquid; Limited Cash Flow from Distributions.*** An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The Funds will generally make loans to private companies that are illiquid and it may be difficult for the Funds to sell if the need arises. Although portfolio financings and investments by the Fund may generate current income, the return of capital and the realization of gains, if any, from a financing or investment generally will occur only upon the partial or complete satisfaction of the financing conditions or disposition of such investment, which may not occur for a number of years after the investment is made. It is unlikely that there will be a public market for any securities the Fund invests in at the time of their acquisition. If the Funds are required to liquidate all or a portion of the Funds' portfolios quickly, the Funds may realize significantly less than the value at which the Funds had previously recorded such investments. In addition, if the Funds hold any securities for which there is a public market, the Funds will not be able to sell such securities publicly, unless the sale of such securities is registered under applicable securities laws, or unless an exemption from such registration requirements is available.

Furthermore, cash flow may not be sufficient to make distributions to the Funds' investors, and Fund capital may be used to pay expenses. The expenses of operating the Funds (including the management fee payable to MRP) may exceed its income, thereby requiring that the difference be paid from the Funds' capital, including, without limitation, unfunded commitments. The authority to determine the timing and amount of cash distributions is vested solely in the General Partner. The Funds may not be able to achieve investment results that will allow it to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition,

restrictions and provisions in any future credit facilities, or under applicable law, may limit the Funds ability to make distributions. There can be no assurance that, even if the Funds are profitable and has funds available for distribution, the General Partner will deem it appropriate or have the ability to distribute funds of the Funds to the investors. Moreover, investors may be allocated taxable income although they have not received any distributions.

***General Market and Credit Risks for Debt Investments.*** Credit portfolios are subject to credit risk, which is the likelihood that a company will default on the payment of principal and/or interest on its obligations, among other covenants and requirements. Financial strength and solvency of a company are key factors influencing credit risk. Companies may face intense competition, changing business and economic conditions or other developments that may adversely affect their

performance and increase credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect a company's credit risk. Credit risk may change over the life of an investment. In addition, companies may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce mortgage obligations. If any of the above occurred, the Funds' ability to make anticipated distributions to investors could be delayed or otherwise adversely affected.

Although the Funds will generally seek to make investments that MRP believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investments, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Funds could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment.

Similarly, while the Funds will generally target investing in companies it believes are of high quality, these companies could still present a high degree of business and credit risk. Companies in which the Funds invest could deteriorate as a result of, among other factors, an adverse development in their businesses, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, companies that the Funds expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

***Investments May Not be Repaid in Priority to Other Obligations of Portfolio Companies.*** The characterization of certain of the Funds' investments as senior debt or senior secured debt does not mean that such debt will necessarily be repaid in priority to all other obligations of the businesses in which the Funds invest. Furthermore, debt and other liabilities incurred by non-guarantor subsidiaries of the borrowers of senior secured loans made by the Funds may be structurally senior to the debt held by the Funds. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, the debt and other liabilities of such subsidiaries could be repaid in full before any distribution can be made to an obligor of the senior secured loans held by the Funds. Finally, portfolio companies will typically incur trade credit and other liabilities or



indebtedness, which by their terms may provide that their holders are entitled to receive principal payments on or before the dates payments are due in respect of the senior secured loans held by the Funds.

***Investments that are Non-Performing or in Default at the Time of Purchase.*** It is anticipated that certain investments made by the Funds may be non-performing and/or possibly in default at the time of purchase. The Funds may also invest in companies either currently in, or that may enter into, chapter 11 bankruptcy or insolvency proceedings. Many of the events within bankruptcy or insolvency proceedings are adversarial and are often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that bankruptcy courts would decide favorably toward, or consistent

with the interests of, the Funds. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and/or functional operating control of a debtor.

***Financial Maintenance Covenants in Loan Documentation.*** Although MRP generally expects the loan documentation of most of the investments to include both incurrence and maintenance based covenants, there may be instances in which the investments do not have maintenance financial covenants (“Covenant-Lite Loans”) in the related loan documentation. An investment in a Covenant-Lite Loan may potentially hinder the ability to re-price credit risk associated with a portfolio company’s performance and reduce the creditors’ ability to restructure a non-performing loan and mitigate potential loss. As a result, the Funds’ exposure to losses may be increased, which could result in an adverse impact on the Fund’s return to investors.

***Investment in Loans by way of Assignments and Participations.*** The Funds may acquire interests in loans by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In addition, if the Funds acquire loans pursuant to an assignment, it is possible that the Funds’ claims may be subject to attack (i.e., equitable subordination, as more fully discussed below, or disallowance) on account of the conduct of the transferee. Holders of indirect participation interests are subject to additional risks not applicable to a holder of a direct assignment interest in a loan. In purchasing a participation, the Funds generally would have no right to enforce compliance by the obligor with the terms of the loan or credit agreement or other instrument evidencing such loan obligation, nor any rights of set-off against the obligor, and the Funds may not directly benefit from the collateral supporting the loan obligation in which it has purchased the participation. As a result, the Funds would assume the credit risk of both the obligor and the selling institution, which would remain the legal owner of record of the applicable loan. In the event of the insolvency of the selling institution, the Fund may be treated as general creditors of the selling institution in respect of the participation, may not benefit from any set-off exercised by the selling institution against the obligor and may be subject to any set-off exercised by the obligor against the selling institution. Assignments and participations are typically sold strictly without recourse to the selling institution, and the selling institution will generally make no representations or warranties about the underlying loan, the portfolio companies, the terms of the loans or any collateral securing the loans. Certain loans have restrictions on assignments and participations, which may negatively impact the Fund’s ability to exit from all or part of its investment in a loan.

***Lower Credit Quality Investments.*** The Funds are permitted to make investments that may be of lower credit quality and be particularly risky with the potential of generating high returns. As a result of the potential for additional risk, the Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to MRP's decision to make an investment. The assets in which the Funds are permitted to invest may be rated lower than investment grade and hence may be considered to be "junk bonds" or distressed loans.

***Investments in Securities of Publicly Held Companies.*** The Funds' investments may include securities issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

***Uncertain Exit Strategies.*** Due to the illiquid nature of some of the positions which the Funds are expected to acquire, MRP is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

***Contingent Liabilities.*** In connection with the disposition of an investment, the Funds may be required to make representations typical of those made in connection with the sale of any such asset, which may include representations in relation to the business and financial affairs of a portfolio company. The Funds may also be required to indemnify the purchasers of such an investment to the extent that any such representation turns out to be inaccurate or with respect to other matters. These arrangements may result in contingent liabilities, which, if not satisfied out of the Funds' assets, may ultimately be required to be funded by the investors making contributions to the Funds out of previous distributions received from the Funds.

***Lack of Diversity; Concentration of Investments in a Single Industry.*** Other than as set forth in Section VIII — "Summary of Principal Terms – Investment Restrictions," investors have no assurance as to the degree of diversification among the investments, either by geographic region or asset type. Concentration in a single sector may involve risks greater than those generally associated with more sector-diversified funds, including significant fluctuations in returns.

***Counterparty Risk.*** To the extent that contracts for investment will be entered into between the Fund and a market counterparty as principal (and not as agent), the Funds are exposed to the risk that the market counterparty may, in an insolvency or similar event, be unable to meet its contractual obligations to the Funds. The Funds may have a limited number of potential counterparties for certain of its investments, which may significantly impair the Funds' ability to reduce its exposure to counterparty risk and loan originator risk. In addition, difficulty reaching an agreement with any single counterparty could limit or eliminate the Funds' ability to execute

such investments altogether. Because certain purchases, sales, hedging, financing arrangements, and other instruments in which the Funds will engage are not traded on an exchange but are instead sold or traded between counterparties based on contractual relationships, the Funds are subject to the risk that a counterparty will not perform its obligations under the related contracts. Although the Funds intend to pursue its remedies under any such contracts, there can be no assurance that a counterparty will not default and that the Funds will not be able to execute its investment strategy or sustain a loss on a transaction as a result.

***Limitations on Remedies.*** Although the Funds will have certain contractual remedies upon the default by borrowers in relation to certain investments, such as foreclosing on the underlying collateral, certain legal requirements may limit the ability of the Funds to effectively exercise such remedies. Furthermore, the laws with respect to the rights of creditors and other investors in certain jurisdictions in which the Funds may invest may not be comprehensive or well developed, and the procedures for the judicial or other enforcement of such rights may be of limited effectiveness. In particular, in certain state or local jurisdictions, the Funds could experience significant legal difficulties and impediments in taking possession of, or otherwise in enforcing its rights with respect to, certain kinds of collateral. These factors may adversely affect the value and collectability of the investments in such jurisdictions.

***Lender Liability Considerations and Equitable Subordination.*** Holders of debt securities are also subject to so-called “lender liability” claims by the issuer of the obligations, which are founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors (or shareholders, in the case of commercial loans). While believed to be unlikely because of the nature of the Fund investments, the Funds could be subject to allegations of lender liability. Furthermore, a significant number of the Funds’ investments may involve investments in which the Fund would not be the lead creditor. Accordingly, it is possible that lender liability or equitable subordination claims affecting the Funds’ investments could arise without the direct involvement of the Funds.

***Risks of Using Loan Servicers.*** The value of the Funds’ investments is dependent on the satisfactory performance of servicing obligations by the loan servicer. If a servicer is unable to perform all of its obligations, it could result in reductions or delays in the payments on certain investments. It is possible that the resignation or termination of a servicer and the transfer of the rights, duties and obligations of such servicer to a new servicer could adversely affect the servicing of loans held by the Funds. For example, transfers of servicing involve the risk of disruption in collections due to data input errors, misapplied or misdirected payments, system incompatibilities and other reasons. If such a transfer were to take place, the rate of delinquencies and defaults on the loans could increase, resulting in reductions or delays in the payments on the Fund’s investments.

***Reliance on Service Providers.*** The Funds intends to enter into arrangements with entities that are affiliated with MRP as well as non-affiliated entities to provide certain loan servicing and asset management services. These service companies may become unable to perform due to operational, capacity or regulatory constraints and the General Partner may need to spend resources seeking out new service companies. The terms of new arrangements may be less favorable than the terms that the General Partner is able to obtain initially.

***Leverage; Risk of Borrowing.*** The General Partner expects to use leverage in connection with the Fund's investments. Although the General Partner will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the investment. Borrowings by the Funds or its subsidiaries have the potential to enhance the Funds' returns; however, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's or such subsidiaries' cost of funds.

To the extent that the Funds or their subsidiaries use leverage, this leverage may have consequences to investors, including, but not limited to: (i) greater fluctuations in the net asset value of the Funds' assets; (ii) use of cash flow (including Capital Contributions) for debt service, distributions, or other purposes; (iii) to the extent that Funds revenues are required to meet principal payments, investors may be allocated income (and therefore tax liability) in excess of cash distributed; and (iv) in certain circumstances, the Funds may be required to dispose of investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet their debt covenants. There can be no assurance that the Funds or their subsidiaries will have sufficient cash flow to meet its debt service obligations. As a result, the Funds' exposure to foreclosure and other losses may be increased due to the illiquidity of its investments.

In addition, the Funds may need to refinance its outstanding debt as it matures. There is a risk that the Funds may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of the existing loan agreements. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the Fund's financial condition, cash flows, and the return on its investments.

Because the Funds may engage in portfolio financings where certain investments are cross-collateralized or cross-defaulted (i.e., equipment finance investments but not loan portfolios), multiple investments may be subject to the risk of loss. As a result, the Funds could lose its interests in performing investments in the event such investments are cross-collateralized or cross-defaulted with poorly performing or nonperforming investments.

The Funds may utilize recourse debt that may subject other assets of the Funds to the risk of loss and the investors' commitments to be called or Fund assets to be sold to satisfy such debt. Full or partial recourse debt may also limit the ability of the Funds to effect a debt restructuring at or prior to maturity of the debt.

The General Partner may also cause the Funds to incur Fund-level debt, such as debt resulting from bridge, subscription, and asset-backed facilities. The General Partner will seek to incur and manage such facilities prudently; however, such debt exposes the Funds to refinancing, recourse, and other risks. With respect to any asset-backed facility entered into by the Funds (or their affiliate thereof), a decrease in the market value of the investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which the Funds must either repay the borrowed funds to the lender, which could, subject to any limitations set forth in the Funds' operating agreement, require investors to make

additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of the Fund's investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the Funds and could, if the value of its investments had declined significantly, cause the Fund to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants this would effectively reduce the

amount of capital available for other investments and could adversely affect the diversification of the Funds' portfolio. In the event of a sudden, precipitous drop in the value of the Funds' assets, the Funds might not be able to dispose of assets quickly enough to pay off its debt, resulting in a foreclosure or other total loss of some or all of the pledged assets. Fund-level debt facilities typically include other covenants such as, but not limited to, covenants against the Funds incurring or being in default under other recourse debt, including certain Fund guarantees of asset level debt, which, if triggered could cause adverse consequences to the Funds if they are unable to cure or otherwise mitigate such breach.

Also, in light of the distress in the global financial markets, any bankruptcy, insolvency, or default by a counterparty to the Funds could result in a loss of the investments, including, for example, where Fund assets and securities are re-hypothecated or otherwise held by such counterparties and become subject to general claims of their creditors.

U.S. tax-exempt investors should note that the use of leverage by the Funds may create "unrelated debt-financed income", which is treated as "unrelated business taxable income" for U.S. federal income tax purposes. Such investors should consider making an investment in the Offshore Funds and should contact their own tax advisers in this regard.

***Interest Rate Risk.*** Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on characteristics of the reset terms, including index chosen, frequency of reset and reset cap or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. There can be no guarantee that the General Partner and MRP will be successful in fully mitigating the impact of interest rate changes, and declines in market value may ultimately reduce earnings or result in losses to the Funds.

***State Licensing Requirements.*** The Fund may be required to obtain various state licenses in order to, among other things, originate commercial loans. Applying for and obtaining required licenses can be costly and take several months. There is no assurance that the Fund will obtain all of the licenses that the Fund needs on a timely basis. Furthermore, the Fund will be subject to various information and other requirements in order to obtain and maintain these licenses, and there is no assurance that the Fund will satisfy those requirements. The Fund's failure to obtain or maintain licenses might restrict investment options and have other adverse consequences.

***Environmental, Social and Governance (“ESG”) Matters.*** While ESG is only one of the many factors MRP will consider in making an investment, there is no guarantee that MRP will successfully implement and make investments in companies that creates positive environmental, social or governance (“ESG”) impact while enhancing long-term shareholder value and achieving financial returns. To the extent that MRP engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of MRP will depend on the skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful.

#### Risks Related to the Funds Generally

***Past Performance is not Necessarily Indicative of Future Results.*** The performance of the Adviser’s prior investments are not necessarily indicative of the Funds’ future results. While the Adviser intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible. Furthermore, there can be no assurance that the Funds’ investments will achieve results similar to those attained by previous investments of MRP or its Partners. In addition, the Fund’s investments may differ from previous investments made by the Adviser and its Partners in a number of respects, including target return levels, level of risk associated with a particular investment, amount and/or concentration of investments, types of companies within the industry sector, amount of leverage used, structure and holding period.

***Potential for Insufficient Investment Opportunities.*** The activity of identifying, completing, and realizing attractive investments on a global basis is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions as well as to the prevailing regulatory and political climate. The Fund will be competing with other lenders and financial investors for the investments that the Fund will make. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. As a result, there can be no assurance that the Fund will be able to identify and execute portfolio investments that satisfy the Fund’s return objectives or realize their potential values or that the Fund will be able to become fully invested for a significant period of time, if at all.

***Illiquid and Long-Term Investments.*** Investment in the Funds requires a long-term commitment with no certainty of return. Many of the investments of the Fund will be highly illiquid, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner. While an investment may be securitized, sold or otherwise disposed of, it is generally expected that the Funds will hold its investments until securitization or sale or until maturity, which may not occur for a number of years after the investment is made. In addition, in some cases the Fund may be prohibited by contract or legal or regulatory reasons from selling certain investments for a period of time.

***Reliance on General Partner, the Investment Adviser and Key Principals.*** The success of the Fund is substantially dependent on certain MRP’s employees, and the ability of the Adviser and/or the General Partner to identify and consummate suitable investments. Should one or more of these

individuals become incapacitated or in some other way cease to participate in the Funds, its performance could be adversely affected. There can be no assurance that any of these individuals will continue to be affiliated with the Funds throughout its term.

***Reliance on Management Teams of Portfolio Companies.*** The day-to-day operations of each portfolio company in which the Funds will invest will be the responsibility of the relevant portfolio company's management team, which is expected to include representatives of other financial investors with whom the Funds are not affiliated and whose interests may at times conflict with the interests of the Funds. Although the General Partner will be responsible for monitoring the performance of each investment and generally intends to invest in companies operated by strong management, the Fund will rely significantly on the management teams and board of directors of portfolio companies in which it invests. There can be no assurance that the existing management team of any portfolio company, or any successor thereto, will be able to operate the portfolio company in accordance with the Funds' objectives or expectations. Similar considerations apply where the Funds invest through joint ventures, "club" deals and other arrangements in which third-parties and third-party management teams have material control rights.

***No Market for Interests.*** Interests in the Funds have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state, or the securities laws of any other jurisdiction, and, therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. There is no public market for interests in the Fund and one is not expected to develop. Each investor will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its interest for investment purposes and not with a view to resale or distribution and that it will only sell and transfer its interest to a qualified investor under applicable securities laws or in a manner permitted by the Fund's operating agreements and consistent with such laws. An investor will not be permitted to assign, sell, exchange, or transfer any of its interest, rights, or obligations with respect to its interest in the Fund, except by operation of law, without the prior written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner. Except in extremely limited circumstances, voluntary withdrawals from the Funds will not be permitted. Investors must be prepared to bear the risks of owning interests in the Funds for an extended period of time.

***In-Kind Distributions.*** Under such circumstances as the General Partner deems appropriate, the Limited Partners may receive in-kind distributions of the respective Fund's investments in accordance with the respective Fund's operating agreement, if permitted by law. In connection with a liquidating distribution of the Fund, Limited Partners may receive distributions of investments, which may not be readily marketable or salable, in accordance with the respective Fund's operating agreement. The investments distributed in-kind will be valued by the Advisor or its delegate, as applicable, at what it deems in good faith to be their "fair value," as determined in accordance with the Advisor's valuation policies and procedures, and this valuation will be conclusive for various purposes, including for the calculation of the Carried Interest.

***Reinvestment.*** Under certain circumstances, proceeds distributable to investors may be retained by the General Partner and used by the General Partner for any proper purpose, including to make new investments during the commitment period and to repay indebtedness or to fund future capital

requirements on existing investments of the Funds. Accordingly, due to the recycling of commitments, a Partner may, in certain circumstances, be required to fund an aggregate amount in excess of its commitment during the term of the Funds.

***Investments Longer than Term.*** The Funds may invest in investments which may not be advantageously disposed of prior to the expiration of the Funds' term. Although the General Partner expects that the investments will be disposed of prior to the expiration of the Funds' term, the Funds may take a reasonable period of time from the expiration of the Fund's term to wind up the Fund's affairs and dispose of assets, in accordance with the terms of the Fund's operating agreement. In light of the foregoing, prospective investors should note that the Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time.

***Lack of Management Rights.*** Investors will have no opportunity to control the day-to-day operation, including investment and disposition decisions, of the Fund. The authority for all such decisions will reside in the General Partner, which will be advised as to such decisions by the Adviser. Except in certain limited circumstances described in the Fund's operating agreement, the General Partner will have absolute discretion in structuring, negotiating, purchasing, financing, and eventually divesting investments on behalf of the Fund. Consequently, investors will generally not be able to evaluate for themselves the merits of particular investments prior to the Fund making such investments.

***Enhanced Scrutiny and Potential Regulation of the Private Equity Industry.*** There have recently been significant legislative developments affecting the private equity industry, including the Dodd-Frank Act. This comprehensive reform of the U.S. financial regulatory system, among other things, requires registration with the SEC of advisers to private equity funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes new reporting and recordkeeping obligations with respect to the private equity funds they advise. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity and hedge funds and other provisions that will affect the private equity industry, either directly or indirectly. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on MRP or the Fund, specifically. Moreover, the general political climate of the United States has brought significant attention to, and scrutiny of, the role of private equity in the U.S. economy. There can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on MRP or otherwise impede the Fund's activities.

While MRP is registered under the Advisers Act, the enactment of these reforms and/or other similar legislation could nonetheless have an adverse effect on the private investment funds industry generally and on MRP and/or the Fund specifically, and may impede the Fund's ability to effectively achieve its investment objectives.

In addition, as private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has been subject to enhanced public scrutiny. Recently, various federal, state, and local agencies have been examining the role of placement agents, finders, and other similar private equity service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information.



This increased political and regulatory scrutiny of the private equity industry has been particularly acute during the recent global financial crisis. For example, in addition to the U.S. legislation described above, other jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. There is therefore a material risk that regulatory agencies in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including the Fund.

Finally, increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the General Partner and the Adviser, and may furthermore place the Fund at a competitive disadvantage to the extent that MRP is required to disclose sensitive business information.

***European Union Alternative Investment Fund Managers Directive.*** With respect to European regulation, the AIFM Directive sets out minimum conditions related to the marketing of interests in alternative investment funds (such as the Interests) in the member states of the European Economic Area that have implemented the AIFM Directive (the “Relevant Member States”). These conditions include requirements to register the Fund as being marketed in the Relevant Member State, requirements to file periodic reports with the competent authority in the Relevant Member State and requirements to comply with disclosure and reporting requirements in respect of investors in the Relevant Member State. The AIFM Directive does not, however, prohibit an investor in a Relevant Member State subscribing for Interests at their own initiative in circumstances where the Fund have not been marketed in such member state and the Fund may issue Interests to such investors. Any investor subscribing for Interests at their own initiative in a Relevant Member State should note that if the Fund have not been registered as being marketed in the Relevant Member State, no reports will be filed with the competent authority in the Relevant Member State by or in respect of the Fund and no investor shall be entitled to receive any disclosure or report that is mandated in respect of an alternative investment fund being marketed in any Relevant Member State.

***Liability for Return of Distributions.*** Any Limited Partner’s capital commitment is susceptible to risk of loss as a result of any liability of the respective Fund irrespective of whether such liability is attributable to an investment to which such investor did not contribute any capital. If the respective Fund is otherwise unable to meet its obligations, the investors may, under applicable law, be obligated to return, with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contributions or are deemed to have been wrongfully paid to them. In addition, an investor may be liable under applicable Federal and state bankruptcy or insolvency laws to return a distribution made during the respective Fund’s insolvency.

***Potential for Litigation.*** In the ordinary course of its business, the Funds may be subject to litigation from time to time. This risk may be greater where the Funds exercise control or significant influence over a portfolio company’s direction. The expense of defending against claims against the Funds by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Funds and would reduce net assets and could require investors to return distributed capital and earnings to the Funds. The outcome of such proceedings may materially adversely affect the value

of the Funds and may continue without resolution for long periods of time. Any litigation may also consume substantial amounts of the General Partner's, McGinty Road Partners' and other key respective Fund personnel's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

***Indemnification and Exculpation.*** The Funds' operating agreements limit the circumstances under which the General Partner, its affiliates, and the Investment Advisory Committee members will be held liable to the respective Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such provision. The Funds are also required to indemnify the General Partner, its affiliates and each of their respective members, officers, directors, employees, shareholders and partners for liabilities incurred in connection with the affairs of the respective Fund. Members of the Investor Advisory Committee are also entitled to the benefit of certain indemnification and exculpation provisions as set forth in the respective Fund's operating agreement. Such liabilities may be material and have an adverse effect on the returns to investors. The indemnification obligation of the Funds would be payable from the assets of the Funds, including the unpaid Capital Commitments of the investors. If the assets of the Funds are insufficient, the General Partner may recall distributions previously made to investors, subject to certain limitations set forth in the respective Fund's operating agreement. Furthermore, as a result of the provisions contained in the respective Fund's operating agreement, the General Partner's duties to the Fund and the investors (and its liability for breach thereof) may be more limited than they would be in the absence of such limitations.

***Uncertainty of Targeted or Projected Returns.*** The Funds make investments based on the Advisor's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of Funds assets, the amount and terms of available financing and the manner and timing of dispositions, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return received upon the Investments. The Funds may make Investments that may have different degrees of associated risk. In considering the information contained in each respective Fund's documents, prospective investors should bear in mind that past, targeted, or projected performance is not necessarily indicative of future results, and there can be no assurance that targeted or projected returns will be achieved, that the Funds will achieve comparable results or that the Funds will be able to implement its investment strategy or achieve its investment objectives.

***Consequences of Investor Default.*** If an investor fails to pay, or if the General Partner believes that an investor will fail to pay, when due installments of its Capital Commitment to the Funds, non-defaulting investors may be required to make additional or increased capital contributions with respect to a particular investment. If the contributions made by non-defaulting investors and borrowings by the Funds are inadequate to cover the defaulted capital contribution, the Funds may be unable to pay its obligations when due. As a result, the Funds may be subjected to significant penalties that could limit opportunities for investment diversification and materially adversely affect the returns of the investors (including non-defaulting investors). If an investor defaults, it may be subject to various remedies as provided in the respective Fund's operating agreement, including, without limitation, forfeiture of its capital account balance, a forced sale of its Interests in the Fund at a reduced value, and preclusion from further investment in or sharing in gains of the Fund.

***Removal of the General Partner; Cancellation of Commitment Period; Early Termination of the Fund.*** If, pursuant to and in accordance with the terms of the respective Fund's operating agreement, the General Partner of the Fund is removed by the investors and a successor general partner is appointed, the Advisor and its affiliates will cease to be involved in the management or control of the business of the Fund. Therefore, there can be no certainty regarding the respective Fund's ability to consummate investment opportunities thereafter. Similar risks exist if the commitment period is cancelled earlier than anticipated pursuant to the terms of the respective Fund's operating agreement. Moreover, it is possible that a Fund may be dissolved and terminated prematurely, and as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in investors not having their capital invested and/or deployed in the manner originally contemplated).

***Dilution from Subsequent Closings.*** Investors subscribing for Interests at subsequent closings will generally participate in existing investments of the Fund, diluting the interests of existing investors therein. Although such investors will contribute their pro rata share of previously made Fund draws (plus an additional amount thereon), unless the General Partner in its discretion excludes new investors from existing investments as described in the Fund's operating agreement, there can be no assurance that this payment will reflect the fair value of a Fund's existing investments at the time such additional investors subscribe for Interests.

***Credit Facility.*** The Funds may make borrowings in anticipation of calling capital from investors and, in connection with such borrowings, the Funds may enter into a credit facility with a bank or syndicate of banks. The facility may be secured by the unfunded capital commitments of all investors and/or the obligations of the investors to make capital contributions. In order to establish such a facility, the General Partner may assign to the lenders certain of a Fund's rights to draw down capital from investors. To the extent permitted by applicable law, investors may also be obligated to make capital contributions at the demand of the lenders, waive rights or defenses with respect to their obligation to make capital contributions, provide financial information or execute other documents necessary in respect of such credit facility. The Funds may bear expenses in connection with a credit line, including an upfront fee and interest expense.

In addition, because the use of credit facilities is not universal in the private funds industry, the effects on reported returns may make the comparability of performance between funds challenging. The impact of use of a line of credit on IRR is expected to be greater early in the life of the Funds, and to naturally diminish later in the Funds' life. The leveraged IRR may not equate to the level of an unleveraged IRR or the IRR had the fund not utilized its credit facility to temporarily finance the transaction and instead called capital immediately from its investors. The General Partner may receive carried interest in cases where the unleveraged IRR may not meet the preferred return hurdle.

***Disclosure of Information.*** Investors are expected to include entities that are subject to state public records or similar freedom of information laws that may compel public disclosure of confidential information regarding the Funds, the investments and/or its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise, including to comply with regulations or policies to which the Fund, the General Partner, the Advisor, portfolio companies or service providers to any of them may be or become subject.

To the extent that the General Partner determines in good faith that, as a result of the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, an investor or any of its affiliates may be required to disclose information relating to the Fund, its affiliates, and/or any entity in which an investment is made, the General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor.

***Confidentiality Requirements Applicable to each Investor.*** Subject to certain exceptions described in the respective Fund’s operating agreement (including with respect to tax matters and exceptions relating to governmental and similar investors that are subject to open records statutes or other similar laws), investors will be required to keep information relating to the Fund confidential. To protect the sensitive nature of such confidential information and in some cases based on the status of an investor, the General Partner will have the right to keep confidential from investors any information that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner reasonably believes is not in the best interest of the Funds or could damage the Funds or the investments or that the Funds are required by law or by agreement with a third party to keep confidential.

***Follow-On Investments.*** Following an initial investment, a Fund may make additional investments as Follow-On Investments, including in seeking to: (i) increase or maintain, in whole or in part, the Fund’s position as a creditor or equity ownership percentage in a portfolio company; (ii) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (iii) preserve or enhance the value of the Fund’s Investment. Each Fund has discretion to make Follow-On Investments, subject to certain limitations set forth in the Fund’s operating agreement. There is no assurance that the Funds will make Follow-On Investments or that the Funds will have sufficient funds to make all or any of such Follow-On Investments. Any decision by a Fund not to make Follow-On Investments, or its inability to make such Follow-On Investments, may have a substantial negative effect on a portfolio company in need of such Follow-On Investments (including jeopardizing the continued viability of a portfolio company and the Fund’s initial investment, resulting in a missed opportunity for the Fund to increase its participation in a successful operation, or an event of default under applicable loan documents). Additionally, such failure to make such Follow-On Investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company.

***Distributions of Non-Marketable Securities.*** Prior to the termination of a Fund, distributions will be in cash or marketable securities. Upon termination of a Fund, distributions may include non-marketable securities or other assets of the Fund. At the time of such distribution, such securities or assets may be experiencing periods of limited liquidity, price volatility or a decline in market value and may have certain investment and transfer restrictions limiting marketability. Therefore, such securities may have to be held by investors for an indefinite period of time.

***Investors Tax Obligations.*** Investors are required to report their distributive share of the taxable income of the Funds to the appropriate tax authorities. The Funds will not make distributions to investors in order for such investors to satisfy any U.S. federal, state or local income taxes imposed on investors in respect of their distributive shares of the Fund’s taxable income. Accordingly, investors should plan to satisfy any tax obligations arising from their investment in the Funds from

sources other than distributions from the Funds. Potential timing differences between income recognition for tax purposes and actual cash distributions to investors may cause investors to incur income tax liabilities in excess of actual cash distributions in certain tax years. For further discussion of such matters, please consult the respective Fund Documents.

***Co-Investments with Third Parties.*** The General Partner may, in its sole discretion, provide co-investment opportunities to strategic investors, consultants, advisors, lenders, Fund investors, third parties, certain affiliated service providers or others. Co-investments will typically be made through separate vehicles formed for the purpose of making one or more co-investments. Investors participating in a co-investment may be required to pay carried interest and fees (including management and administration fees) in connection with such co-investment (and, for the avoidance of doubt, any such fees or amounts shall not be considered Transaction Fees and shall solely be for the account of McGinty Road). Distributions of income and proceeds related to each co-investment will be made separately from, and not aggregated with, distributions of income and proceeds related to the corresponding portfolio investment by the Funds.

The General Partner is under no obligation to provide co-investment opportunities to Fund investors, and any such co-investment opportunity may be offered to one or more third parties and/or some and not other Limited Partners. Co-investment opportunities will be allocated as determined by the General Partner in its sole discretion, and any such allocations as between Fund investors may not correspond to their pro rata interests in the Funds. In determining such allocations, the General Partner may take into account any facts or circumstances it deems appropriate, including the size of the prospective co-investor's investment in the Funds; whether and the extent to which the prospective co-investor has expressed an interest in co-investment opportunities; the General Partner's evaluation of the financial resources, sophistication, experience and expertise of the potential co-investor, with respect to the execution of co-investment transactions generally, and with respect to the geographic location or business activities of the applicable portfolio investment; perception of past experiences and relationships with each prospective co-investor; whether or not such person has co-invested previously and the ability of any such co-investor to respond promptly and appropriately to potential investment opportunities; perception of the legal, regulatory, reporting, public relations, competitive, confidentiality or other issues that may arise with respect to any prospective co-investor; and any strategic value or other benefit resulting from offering such co-investment opportunity to a prospective co-investor.

Co-investments may result in conflicts between the Fund and other co-investors (for example, over the price and other terms of such investment, exit strategies and related matters, including the exercise of remedies of their respective investments). In certain circumstances, the General Partner may be incentivized to allocate co-investment capacity away from the Fund. For example, where losses in the Fund make it unlikely that the General Partner will earn carried interest from the Fund, the General Partner may be incentivized to allocate capacity for co-investment since such losses will not be taken into account in determining carried interest payable in respect of a co-investment. Furthermore, to the extent that the Fund holds interests that are different (or more senior) than those held by such other co-investors, the General Partner may be presented with decisions involving circumstances where the interests of such co-investors are in conflict with those of the Fund.

***Cybersecurity Risk.*** As part of its business, the Advisor processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund and

personally identifiable information of the investors. Similarly, service providers of the Advisor and the Funds, especially the Funds' administrator, may process, store and transmit such information. The Advisor has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Advisor may be susceptible to compromise, leading to a breach of the Advisor's network. The Advisor's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by the Advisor to the Investors may also be susceptible to compromise. Breach of the Investment Advisor's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

#### Tax Risks of the Partnership

***Uncertainty and Complexity of Tax Treatment.*** The tax aspects of an investment in a Fund are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Funds. Each prospective investor should have the tax aspects of an investment in the Funds reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. Prospective investors are strongly urged to review the respective Fund documents for a more complete discussion of certain of the tax risks inherent in the acquisition of Interests and to consult their own independent tax advisors.

***Risk of Adverse Determination.*** There can be no assurance that the conclusions made by the Advisor will not be challenged successfully by the U.S. Internal Revenue Service (the "Service"), or significantly modified by new legislation, changes in the Service's positions or court decisions. The Funds have not applied for, nor do they expect to apply for, any advance rulings from the Service with respect to any of the federal income tax consequences. No representation or warranty of any kind is made by the General Partner with respect to the tax consequences relating to an investment in the Funds. The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Funds, and a Limited Partner might be found to have a different tax liability for that year than that reported on its income tax returns.

***Risk of Tax Audit.*** An audit of the Funds by the Service or another taxing authority could result in adjustments to the tax consequences initially reported by the Funds and may result in an audit of the returns of some or all of the Limited Partners, which examination could affect items not related to a Limited Partner's investment in the Funds. If audit adjustments result in an increase in a Limited Partner's income tax liability for any year, such Limited Partner may also be liable for interest and penalties with respect to the amount of underpayment.

***Entity-Level Audits.*** Pursuant to the U.S. Bipartisan Budget Act of 2015, as amended, or any similar state or local tax rules (“BBA”), the Service is generally permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Funds, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Fund level. Although certain elections or other procedures may be available to mitigate the impact of such determination, assessment or collection, there can be no assurances that the Funds will avoid, or be able to avoid, any entity-level determination, assessment or collection. In addition, any such elections or procedures may have differing results on the tax liability of Limited Partners depending on the tax status of each Limited Partner, and the Funds may not be able to take into account the particular facts or circumstances of a Limited Partner. A Limited Partner may be required to bear a share of the economic burden of taxes so assessed or collected without regard to whether such person was a Limited Partner, or without regard to his relative ownership interest, during the taxable year of the Fund to which such taxes relate. Each partnership required to file, or that files, a U.S. income tax return, must designate a representative under the BBA (the “Partnership Representative”) with the sole authority to act on behalf of, and to bind, the partnership, its partners, and any other person whose tax liability is determined by taking into account adjustments under the BBA. Limitations on the authority of the Partnership Representative in the Funds documents or in any other agreement will not be binding during examinations upon audit or any other proceedings. In addition, Limited Partners will not be able to participate in any such examinations or proceedings without permission of the Service. Limited Partners should note that the BBA regime is complex and that the impact on any current or future allocations made or cash available for distributions or withdrawals by the Funds is uncertain. The Funds may also be exposed to the risk that these rules apply to any entity treated as a partnership for U.S. federal income tax purposes in which the Funds directly or indirectly invest. The legal and accounting costs incurred in connection with any audit of the Partnership will be borne by the Partnership. The cost of any audit of any Limited Partner will be borne solely by the Limited Partner. Prospective Limited Partners should consult their own tax advisors in this regard. Prospective Limited Partners should consult their own tax advisors regarding this new legislation.

***U.S. Tax-Exempt Investors.*** Potential U.S. tax-exempt investors should be aware that the Funds’ activities (whether conducted directly by the Fund or indirectly through an affiliate) may give rise to substantial amounts of UBTI, including as a result of fees earned in connection with its lending activities. In particular, to the extent that a Fund borrows money in connection with its lending and other investment activity, the Fund may generate “unrelated debt-financed income” to U.S. tax-exempt investors. There is also a risk that the Funds may be treated for U.S. federal income tax purposes as a “dealer” in loans and thereby generate additional UBTI to such investors (even if such income is not debt-financed). The General Partner will, and will cause the Advisor to, use commercially reasonable efforts to conduct the affairs of the Funds and to make Investments in a manner that will not result in an electing Limited Partner, as a result of its participation in the Fund, deriving a material amount of income that is considered UBTI. Potential U.S. tax-exempt investors should consult with their own tax advisors regarding an investment in a Fund.

***Effectively Connected Income.*** Potential non-U.S. Limited Partners should be aware that the Funds’ activities may give rise to substantial amounts of “effectively connected income” that is subject to U.S. federal (and potential state and local) income tax (including, potentially, branch profits tax) and that would require the filing of U.S. federal income tax returns (and potentially state and local tax returns). The General Partner will, and will cause the Advisor to, use commercially reasonable efforts to conduct the affairs of the Funds and to make Investments in a manner that will not result in an

electing Limited Partner, as a result of its participation in the Fund, deriving a material amount of income that is considered “effectively connected income”. Potential U.S. tax-exempt investors should consult with their own tax advisors regarding an investment in a Fund.

***Tax Liabilities Without Distributions.*** If a Fund has taxable income in a fiscal year, each Limited Partner will be taxed on that income in accordance with its allocable share of the Fund’s profits, whether or not such profits have been distributed. Because the General Partner anticipates that there will be no cash distributions to the Limited Partners, an investor may incur tax liability with respect to activities of the Fund without receiving sufficient distributions from the Fund to defray such tax liabilities. In order to satisfy its tax liability in such a case, a Limited Partner would need sufficient funds from sources other than the Fund. Furthermore, a Fund may make Investments with respect to which the Fund recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Fund may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Partners.

***Delayed Schedules K-1.*** The Funds will endeavor to provide Schedules K-1 to Limited Partners within 120 days of the end of the taxable year (or as soon as reasonably practicable thereafter) and may not be able to provide final Schedules K-1 to Limited Partners for any given fiscal year until after April 15 of the following year. Schedules K-1 will not be available until completion of the Funds’ annual audit. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels.

***Tax Changes.*** Investors will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in a Fund. Changes in existing tax laws or regulations and their interpretation may be enacted at any time, possibly with retroactive effect, and could alter the income tax consequences of an investment in a Fund. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Funds, in which event any benefits derived from an investment in the Funds may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the U.S. federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law could have material adverse effects on the Funds and/or the Limited Partners. Enactment of such legislation, or similar legislation, could require significant restructuring of the Funds in order to mitigate such effects.

***Recently Enacted Tax Reform Legislation.*** Recently enacted U.S. tax reform legislation makes significant changes to the rules potentially applicable to the Funds and/or its investors. Certain of these new rules are complex and, pending guidance that may be forthcoming, the impact on the Funds and its investors may be unclear. Prospective investors should consult their own tax advisors regarding potential changes in any tax laws, potentially with retroactive effect.

***State and Local Taxation.*** The Funds may be regarded as doing business in various states and under such states’ tax and other laws. Consequently, Limited Partners (and possibly their respective direct or indirect interest holders) and the Funds may be required to file tax returns and pay state income tax in various states. Limited Partners and the Funds may also be required to file tax returns in local



U.S. jurisdictions and may be subject to local income taxes. Furthermore, potential investors should be aware that state and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, and deduction.

***Treatment of Carried Interest.*** From time to time, the U.S. Congress has considered legislation that would treat carried interests as ordinary income for U.S. federal income tax purposes. Enactment of any such legislation could adversely affect employees or other individuals performing services for the Fund who hold direct or indirect interests in the General Partner and benefit from carried interest, which could make it more difficult for McGinty Road and its affiliates to incentivize, attract and retain individuals to perform services for the Funds.

***Taxation in Other Jurisdictions.*** The investments may be in jurisdictions outside the United States, and the Funds or their investors, may be subject to income or other tax and filing obligations in such jurisdictions. Additionally, withholding tax or branch taxes may be imposed on earnings of a Fund from investments in such jurisdictions. In addition, local tax incurred in foreign jurisdictions by the Funds or vehicles through which it invests may not be creditable to or deductible by the investors in their respective jurisdictions, including the United States. Investors are recommended to contact their own tax advisers with respect to the tax consequences of an investment in the Fund.

***The taxation of funds and investors in funds is complex. Potential investors are strongly urged to review the respective Fund's documents.***

#### Mini-Master-Feeder Fund Structure

Certain Funds employ a “mini-master” structure whereby the Offshore Feeder invests substantially all of its investable capital in the Mini-Master Fund. Consequently, the Offshore Feeder does not own all of its portfolio investments directly. Instead, the Offshore Feeder is a limited partner of the Mini-Master Fund, managed at first instance by the General Partner, which makes portfolio investments through the Mini-Master Fund. The Offshore Feeder does not control the Mini-Master Fund.

Furthermore, the Offshore Feeder and the Mini-Master Fund are established in the Cayman Islands and the rights of the Offshore Feeder as a limited partner of the Mini-Master Fund are thus governed by the jurisdiction of organization of such entities, the Cayman Islands. As the Offshore Feeder and the Mini-Master Fund are Cayman Islands-based entities, changes in governmental regulation, political structure, local economics and tax laws (U.S. or non-U.S.) may adversely impact the Offshore Feeder and the Mini-Master Fund. See the discussion in “*Tax Considerations.*”

## **Item 9. Disciplinary Information**

MRP and its management personnel have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's or prospective client's evaluation of the Adviser's advisory business or management integrity.

## Item 10. Other Financial Industry Activities and Affiliations

Neither MRP nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### Potential Conflicts of Interest

There can be no assurance that the Advisor or the respective General Partners will resolve all conflicts of interest in a manner that is favorable to the Funds, but in all circumstances, the Advisor will attempt to resolve any conflicts of interest by exercising the good faith required of fiduciaries, and further believes that it will be able to resolve conflicts on an equitable basis. If any matter arises that the respective General Partner determines in its good faith judgment constitutes an actual conflict of interest, the General Partner may take such actions as it determines in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions the General Partner will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by law). These actions may include, by way of example and without limitation, (i) disposing of the asset giving rise to the conflict of interest, (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest or (iii) consulting with the Investor Advisory Committee regarding the conflict of interest and either obtaining a waiver from the Investor Advisory Committee of such conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Investor Advisory Committee with respect to such conflict of interest. In addition, investors should note that the Funds' operating agreements contain provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to the Funds and investors to which the General Partners would otherwise be subject, (ii) waive duties or consent to the conduct of the General Partners that might not otherwise be permitted pursuant to such duties, and (iii) limit the remedies of investors with respect to breaches of such duties. The following discussion enumerates certain potential conflicts of interest, which should be carefully evaluated before making an investment in the Funds. Future activities of the Advisor or its affiliates may give rise to additional conflicts of interest. By acquiring an interest in a Fund, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

***Allocation of Investment Opportunities.*** McGinty Road expects to be presented from time to time with investment opportunities that fall within the investment objective of a certain Fund and other funds, vehicles or accounts (or vehicles or accounts that may be formed in the future) advised, sub-advised, managed or sponsored by McGinty Road and its affiliates. In general, such opportunities will be allocated among the Funds and such other funds, vehicles or accounts on a basis that McGinty Road reasonably determines to be fair and reasonable taking into account the sourcing of the opportunity, the nature of the investment focus of each McGinty Road fund, vehicle or account, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals, and other considerations (including contractual obligations of McGinty Road and/or its affiliates described herein).

***Carried Interest.*** The existence of the General Partner's carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based payments. Under certain circumstances set forth in the Fund's operating agreement, the General Partner may receive carried interest distributions with respect to a distribution in kind of Investments for which market quotations are not readily available.

***Fees for Services.*** The General Partners, Advisor and their respective affiliates are entitled to receive management fees, and certain other fees as compensation for loan servicing, asset management, financial advisory and similar services. Investors will not receive any benefit from such fees, other than as described in specific sections of each Fund's documents. While the General Partner and Advisor intend that any affiliate services be provided at competitive market rates, such compensation will not be determined through arm's-length negotiation and neither the General Partner nor the Advisor will guarantee the performance by its affiliates of any services provided to the Fund.

***Conflicts Regarding Placement Agents.*** To the extent that placement agents, brokers or other entities were to receive ongoing compensation in respect of selling Interests they have a conflict of interest in consulting with investors as to the purchase of Interests. At the election of the Advisor, such payment may either be paid directly by the Advisor or by the Fund on behalf of the Advisor with a corresponding reduction of fees payable to the Advisor.

***Material Non-Public Information.*** By reason of their responsibilities in connection with other activities of McGinty Road, certain employees of the Advisor, the General Partner and their respective affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an Investment that it otherwise might have sold.

***Diverse Investor Group.*** Investors in the Funds may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of Investments and the timing of disposition of Investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, the Funds may make investments that may have a negative impact on related investments made by investors in the Funds in separate transactions. In selecting and structuring Investments appropriate for the Funds, the General Partners will consider the investment and tax objectives of the Funds and its investors as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

***Investor Advisory Committee.*** It is anticipated that the General Partners will establish an Investor Advisory Committee for the Funds composed of representatives of selected investors (all of whom will be unaffiliated with the General Partner). The General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Funds, including investment decisions. In addition, representatives of the Investor Advisory Committee may have various

business and other relationships with McGinty Road and its partners, employees and affiliates. These relationships may influence their decisions as members of the Investor Advisory Committee. The respective Fund's operating agreement will provide that to the fullest extent permitted by law, none of the members of the Investor Advisory Committee, nor the investors on behalf of whom such members act as representatives, if applicable, shall owe any duties (fiduciary or otherwise) to any other investor in respect of the activities of the Investor Advisory Committee, other than the duty to act in good faith. Furthermore, members of the Investor Advisory Committee may have various business and other relationships with McGinty Road and its members, partners, employees, and affiliates. The presence of these other relationships may influence their decisions as members of such committee.

***Use of Affiliated Service Providers.*** The Funds expect to engage service providers affiliated with, and/or controlled by McGinty Road or its partners, including Allegiance Financial Group, Inc. ("Allegiance"), to provide loan origination, loan servicing, and other ancillary services to the Funds and the Investments. The Funds will bear the costs of engaging such affiliated service providers. These costs are in addition to Management Fees and carried interest. Fees to affiliated service providers are generally expected to be on an arm's-length basis and no less favorable than those that could be obtained from unaffiliated third parties, as reasonably determined by the General Partners.

Allegiance will be compensated and incentivized for providing loan origination, loan servicing, and other ancillary services to the Funds in a manner similar to other unaffiliated service providers to the Funds. Its compensation will consist of servicing fees at a rate based upon Allegiance's historical and existing arrangements with third parties, which is anticipated to be (i) no more than 2% of collections for loans or loan portfolios originated and (ii) no more than 4% of collections for loans or loan portfolios acquired. Allegiance will be expected, but not required, to co-invest in transactions with the Funds in order to align the interests of the Funds and Allegiance and mitigate potential conflicts of interest. With respect to all services, Allegiance will be responsible for its internal operating expenses (including, but not limited to, compensation of its employees).

***Activities of Key Persons.*** The Key Persons as defined in each Fund's documents, will be required to devote substantially all of their business time and attention to conducting the business of the Funds, the General Partner and the Advisor until the end of the Commitment Period. Notwithstanding the foregoing, approximately 10% of John Seibel's time will be spent on Allegiance non-Funds related deal flow. No other McGinty Road partner will spend meaningful time managing Allegiance.

***Side Letters.*** In connection with a particular investor's subscription for Interests in a Fund, the Advisor and/or the General Partner may enter into a side letter or other similar agreement with such investor with respect to the Fund that would have the effect of establishing rights under, or altering or supplementing the terms of, the Fund's operating agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors. The terms of such side letters may include the waiver of all or any portion of the Management Fees and Carried Interest with respect to an investor. Any rights or terms so established in a side letter with an investor will govern solely with respect to such investor and will not require the approval of any other investor.

## **Allegiance**

As discussed here and under Item 4 or the Advisory Business section, MRP is affiliated with Allegiance through the following Partners: Messrs. Seibel, Leu and Ellingrud, who own the St. Paul, Minnesota based firm. Allegiance provides a full-service equipment finance platform and focuses on loan, lease and working capital transactions secured by assets. The General Partner, on behalf of the Funds, has the right to engage Allegiance for loan origination and loan servicing and other ancillary services. To align Allegiance's interests with the Funds' interests and to mitigate potential conflicts of interest, MRP has a right-of-first-refusal on all Allegiance's transaction opportunities that exceed \$500,000. Such investment opportunities will be offered to the Funds. The General Partner will review each investment opportunity and determine if it aligns with the Funds' strategy, portfolio composition and return requirements. If the investment opportunity meets the Fund's requirements, the Fund will generally participate in the investment opportunity through one or more joint venture entities that will be beneficially owned by the Fund and by Allegiance (see below under "Co-Investment"). Allegiance has a right to and is expected (but is not required) to co-invest between 2% of the aggregate investments made by the Funds and Allegiance. Allegiance will also service the assets and be paid a servicing fee as discussed in Item 5. This does present a conflict of interest, which is mitigated through annual review of servicing fees against other providers. If the General Partner determines, in its discretion, not to pursue an investment opportunity presented to the Fund by Allegiance, Allegiance may pursue such opportunity without the Fund's participation including investment opportunities with the same counterparty as the Funds.

MRP will compensate Allegiance in a manner similar to the Fund's other unaffiliated operating partners. Please see Item 5 or the Fees and Compensation section for further discussions on the compensation paid to Allegiance.

MRP and its employees do not have any relationships or arrangements with other financial services companies that can pose material conflicts of interest.

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

### Code of Ethics

MRP has adopted and implemented a code of ethics (the “Code of Ethics”) pursuant to Rule 204A-1 under the Advisers Act, which requires MRP and its employees to put the interests of the Adviser’s clients before its own interests and to act honestly and fairly in all respects in its dealings with its clients. The Code of Ethics also requires all employees to comply with applicable federal securities laws.

The Code of Ethics, which describes rules surrounding personal securities transactions, apply only to MRP’s employees who are deemed to be “access persons.” These access persons are required to report certain personal securities transactions and holdings. Those personal securities transactions may raise potential conflicts with the interests of MRP’s clients. To mitigate potential conflicts of interest, MRP requires its access persons to pre-clear their personal transactions in any investments involving initial public offerings, private placements. The Adviser, however, allows its access persons to trade exchange traded funds, as well as other securities that are exempt from the definition, without a prior written approval.

Clients and the Fund investors, including prospective clients and investors, may obtain a copy of the Code of Ethics by contacting the Chief Compliance Officer at (651) 294-4574.

### Participation or Interest in Client Transactions

As the General Partners to the Fund, MRP and its affiliates, as well as certain of MRP’s employees have indirect beneficial interests in the investments that the Fund own. MRP and those employees will share any profits and losses generated by the Fund’s investments. Furthermore, in certain situations, related persons of MRP may purchase interests in the same investments held by the Fund. Conflicts of interest may arise if MRP or its employees recommend a particular transaction because of a financial interest held by any such person in such securities or interests. As previously mentioned, the Adviser has adopted the Code of Ethics to address these conflicts of interest.

Before MRP can acquire or sell Fund investments to any entity in which MRP or its affiliates hold a material investment or have control over the entity, MRP is required to obtain a consent from the Fund’s Investor Advisory Committee or a Majority in Interest of the Combined Limited Partners. Please see the respective Fund’s Limited Partnership Agreements for more detailed discussions on the required consent.

In anticipation of raising a fund, MRP raised initial capital from former colleagues, friends, family, and institutional investors to create a warehouse facility (the “Warehouse”) to begin making initial investments. The Fund will acquire the Warehoused Investments, however, MRP is not required to obtain an approval from the Fund’s Investor Advisory Committee when acquiring such investments. MRP discloses the acquisition of the Warehouse Investments to each investor in the investor’s subscription agreement, and each investor provides its consent upon the signing of the subscription agreement.

## Insider Trading Policy

MRP and/or its employees may, from time to time, come into possession of material non-public or other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, MRP and its employees may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other third party. Accordingly, should MRP and/or its employees come into possession of material non-public or other confidential information ("MNPI") with respect to any company, they may be prohibited from communicating such information to, or using such information for the benefit of, MRP's private funds and their underlying investors.

MRP has adopted a policy in accordance with Section 204A of the Advisers Act, which establishes procedures to prevent the misuse of MNPI by MRP and its employees.



## **Item 12. Brokerage Practices**

MRP primarily focuses on making investments that do not require a broker-dealer to act on MRP's behalf in making the investments, and therefore, the Adviser does not have any soft dollar arrangements with any broker-dealers. If MRP ever acquires, sells or distributes public securities (i.e., as a result of an initial public offering), MRP has discretionary authority to select the broker or dealer to be used to execute securities transactions on behalf of the Fund, and negotiate the commission cost to be paid. In selecting broker-dealers to execute securities transactions, MRP's primary consideration will be to obtain the most favorable result for the Fund.

### Cross Trades

MRP may engage in cross transactions in which a security is crossed between Funds. MRP will only engage in the cross transaction if the transaction is deemed advantageous for each participant. In these instances, MRP shall use an unaffiliated broker-dealer or custodian to cross investments between Client accounts. Cross transactions will be effected by MRP only to the extent permitted by applicable law. In no instance will MRP receive additional compensation when crossing trades for Funds accounts. MRP will seek to ensure that the terms of the transaction, including the consideration to be paid or received, are fair and reasonable, and the transactions are done for the benefit of the participating Funds.

### Trade Errors

MRP will establish trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error. MRP's general policy will seek to identify and correct any trade errors promptly and in a way that mitigates any losses. Trade errors in a Fund will be borne by the Fund unless an error is the result of gross negligence, willful misconduct or violation of applicable laws by MRP. MRP does not provide reimbursement for lost opportunity costs.

## **Item 13. Review of Accounts**

MRP regularly monitors its portfolio holdings. Where operating partners are used, MRP's Investment Team performs diligence and risk assessments on these operating partners prior to transacting to ensure proper alignment, controls and reporting. The post investment monitoring processes are to some degree different for the three investment strategies.

### Equipment Finance

Equipment Finance investments are expected to be serviced by third-parties, including Allegiance. MRP will receive periodic updates and performance reports from these service providers. MRP expects that these updates and reports will include items relating to payment history and progress, financial reports from the counterparties, and where appropriate, update calls and meetings with counterparties. The timing and frequency of the information is formulaic and will generally be documented in the investment documents as well as in the servicing agreement between MRP and the servicer. In addition to the contractual items, MRP will generally reserve the right to request ad hoc updates.

### Loan Portfolios

Post investment monitoring of Loan Portfolios is similar to Equipment Finance opportunities. Loan Portfolio investments are expected to be serviced by third-parties. MRP will receive periodic updates and performance reports from these service providers. MRP expects that these reports and updates and updates will include items relating to payment history and progress, financial reports from the counterparties, and where appropriate, update calls and meetings with counterparties. The timing and frequency of the information is formulaic and will generally be documented in the investment documents as well as in the servicing agreement between MRP and the servicer. In addition to the contractual items, MRP will general reserve the right to request ad hoc updates.

### Corporate Credit

Corporate Credit investments are expected to be monitored directly by MRP, with certain functions outsourced to MRP's Fund Administrator. MRP expects to directly monitor borrower financial performance through a review of financial reports (as issued and released by borrowers) and will initiate, where appropriate, update calls and meetings with borrowers. In addition, MRP expects to directly monitor market price levels for publicly traded investments (for example bonds and bank debt). MRP's Fund Administrator will monitor payment history and progress and will alert MRP as to any deficiencies or discrepancies.

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

In certain instances, MRP has entered into a referral arrangement with an unaffiliated entity (the “Placement Agent”) for introducing and referring investors to invest in certain Funds managed by the Adviser. When utilizing a Placement Agent, MRP is responsible for compensating the Placement Agent, which charges the Adviser at a percentage of the aggregate principal amount of any capital commitment that a referred investor has subscribed or agreed to subscribe. Such payment may either be paid directly by MRP or by the Fund on behalf of MRP. The Placement Agent fees that the Fund paid will offset the management fees that the Fund have to pay.

## **Item 15. Custody**

MRP is deemed to have custody of the Fund's assets because its affiliate, which is under common control with MRP, serves as the General Partner to the Fund, and therefore, it is subject to Rule 206(4)-2 under the Adviser Act (the "Custody Rule"). While the Adviser from time to time maintains custody of uncertificated securities or "privately offered securities" acquired directly from the issuers in private placements, MRP deposits all Fund assets (including any fund securities, to the extent the Adviser acquires or comes into possession of such securities) with a qualified custodian (as defined under the Custody Rule).

The Custody Rule generally also requires an investment adviser to ensure that a qualified custodian sends account statements to clients at least quarterly, however, the Adviser is not subject to this requirement because all private equity funds managed by the Adviser are subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. MRP will distribute audited financial statements to all fund investors following the end of the fiscal year of such Fund within the number of days required by the Custody Rule.

## **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to the Fund. MRP has entered into an investment advisory agreement with each of the Fund pursuant to which the Adviser exercises discretion over the Fund's assets. Please refer to each of the Fund's limited partnership agreements and other governing documents for any limitations on MRP's investment authority.

## **Item 17. Voting Client Securities**

MRP primarily invests in assets that typically do not issue proxies. However, in the event that MRP receives proxies, MRP will generally seek to vote proxies in a way that maximizes the value of the Fund's assets. MRP reserves the right to vote against management, or affirmatively abstain from voting, if in its discretion MRP determines that it would be in the best interest of its clients to do so. Clients cannot direct MRP's vote in a particular solicitation.

If MRP detects a material conflict of interest in connection with a proxy solicitation, MRP may engage an outside counsel and/or the relevant Fund's Investor Advisory Committee to review the material conflict of interest and make a recommendation.

MRP does not direct clients' participation in class actions. The President/General Counsel and Chief Compliance Officer will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender or to forward such information to the appropriate clients.

MRP's complete proxy voting policy and procedures are memorialized in writing and are available for review by current clients or existing investors upon request. In addition, a record of all proxy votes cast on behalf of clients or investors is available upon request. To receive a copy, please contact MRP's offices at (651) 294-4574.

## **Item 18. Financial Information**

MRP has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage the Funds.

## **Item 19. Requirements for State-Registered Advisers**

Not applicable.