

**Item 1 – Cover Page**

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This Brochure provides information about the qualifications and business practices of TAC Partners, Inc. (“M/C”, “us”, “we” or “our”). If you have any questions about the contents of this Brochure, please contact us at 617.345.7200 and/or [ekeefe@mcpartners.com](mailto:ekeefe@mcpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications presented to you by an investment adviser provide you with information which you may use to determine to hire or retain the adviser or invest in its managed funds.

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

## **Item 2 – Material Changes**

M/C Investors 2014, LLC was formed in April 2014.

Currently, our Brochure may be requested by contacting Edward J. Keefe, our Chief Compliance Officer, at 617-345-7235 or [ekeefe@mcpartners.com](mailto:ekeefe@mcpartners.com). You can always receive the most recent version of this Brochure through the SEC's public disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Additional information about M/C is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### *Item 4 – Advisory Business*

TAC Partners, Inc., a Massachusetts corporation (“M/C”, “us”, “we” or “our”), is based in Boston, MA and has an office in San Francisco, CA, which has been in business since March of 1987 and is owned by James F. Wade and David D. Croll.

M/C provides investment advisory services to private pooled investment vehicles organized as limited partnerships or other entities (each, a “Fund” and, collectively, the “Funds”). The Funds are closed and generally have a term of 10 years. The Funds are marketed primarily to institutional investors and high net worth individuals. These investors purchase interests in the Funds, and investments are made at the Fund level, not for individual investors in the Fund. M/C from time to time also may form investment vehicles through which certain persons employed by M/C and others who work with them on transactions may invest alongside one or more Funds (each such pooled investment vehicle, a “Co-Investment Vehicle” or a “Fund”). Generally, when a Co-Investment Vehicle is established, it is contractually required, as a condition of its investment, to exit its investments at the same time and on the same terms as the applicable Funds that are also invested in such transactions. The only advisory clients of M/C are the Funds. As the investment adviser of the Funds, M/C, along with each Fund’s general partner or manager (each, a “Manager” and, collectively, the “Managers”), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of each Fund.

The primary focus of M/C’s investment advisory services is researching and advising on privately negotiated transactions in operating entities. Investments are predominantly in non-public companies, although investments in public companies are permitted under certain circumstances. Usually one or more of our partners may serve on a portfolio company’s board of directors or otherwise act to influence control or management of portfolio companies held by the Funds.

The advisory services for each of the Funds are further described in the Funds’ respective offering memorandum, limited partnership agreement, limited liability company agreement, and management or advisory agreement (collectively, the “Documents”). We do not vary our investment advice from the terms of these Documents. Additionally, these Documents also detail the various investment restrictions that govern the types of investments the Funds may and may not make, and the remuneration M/C receives for managing the Funds.

In accordance with common industry practice, one or more of the Managers may enter into “side letters” or similar arrangements with certain investors pursuant to which the Manager grants the investor specific rights, benefits, or privileges that are not made available to investors generally. These arrangements typically clarify any regulatory, informational, and interpretational issues with the Documents, and do not include changes in the financial terms.

As of December 31, 2014, we managed \$1.2 billion of assets on a discretionary basis for six Funds. The Funds were formed between 2000 and 2014. All but four of these Funds are fully invested. The Funds generally have institutional or high net worth investors. We do not manage client assets on a non-discretionary basis.

#### *Item 5 – Fees and Compensation*

As compensation for investment advisory services rendered to the Funds, M/C receives from each Fund (other than a Co-Investment Vehicle) an annual management fee, the amount of which varies depending on the Fund but which is set at the initial formation of the Fund and is generally not altered thereafter. Our Co-Investment Vehicles are not contractually obligated to pay us a fee. In addition, due to the age of certain of our Funds, we are no longer collecting management fees from these Funds. As described below, the management fee payable by a Fund may be reduced or waived in some circumstances in connection with the receipt by M/C or its related persons of all or a portion of various fees paid by portfolio companies. The management fees are payable monthly.

In general, the management fees range from 1.25% to 2.0% of the total capital committed to the Fund by investors. For certain Funds, the percentage amount of the management fee will reduce after the investment period and/or when a subsequent Fund is raised. Management fees are billed to each Fund or its Manager and paid by the Fund or its Manager from the Fund's assets. To obtain cash for the payment of management fees, the Manager of the Fund may draw down investors' capital commitments.

For certain Funds, expense reimbursements may be payable to M/C or its affiliates. Any such Fund expense reimbursements are disclosed to investors in the Documents and are in addition to the management fees discussed above. Each Fund also generally bears certain expenses relating to its activities and operations (other than expenses resulting from the fraud, gross negligence or willful misconduct of its Manager). With respect to Co-Investment Vehicles, any fees to be received by M/C may include expense reimbursements or administrative fees similar to those described above for the other Funds.

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

To the extent provided in the Documents, M/C will pay out of its management fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, compensation of its employees (other than carried interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by M/C to the Funds. Each Fund generally bears all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, investment banking, brokerage, finders', custody, transfer, registration, interest, taxes and extraordinary expenses, and other similar fees and expenses. Some of these expenses borne by the Funds may relate to costs associated with unexecuted transactions.

#### *Item 6 – Performance-based Fees and Side-By-Side Management*

The Funds' Documents generally provide that the net profits realized by each Fund are shared between the Fund's Manager and the Fund's investors, after a net asset value test is satisfied. The Manager's portion of such net profits is referred to herein as the Manager's "Carried Interest". We do not collect a Carried Interest from our Co-Investment Vehicles.

Each of our Funds maintains for each investor in the Fund a capital account that is adjusted to reflect any allocations of net gain or loss.

The Managers of the Funds are all affiliates of M/C, and our affiliates and employees may be members or partners of the Managers that may receive these performance distributions from the Funds.

Performance-based allocation arrangements received by the Managers and, indirectly, M/C's related persons may create an incentive for M/C to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

#### *Item 7 – Types of Funds*

M/C currently provides investment advisory services to pooled investment funds. Investment advice is provided directly to the Funds, subject to the direction and control of the Manager of such Fund, and not individually to the investors in such Fund. Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in Funds may include high net worth individuals, banks, pension and profit-sharing plans, trusts, university endowments, foundations, corporations, limited partnerships and limited liability companies or other business entities.

We require that each investor in a Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 or a "qualified purchaser", within the meaning of 2(a) (51) of the Investment Company Act of 1940, as amended. We also require that each investor that is a U.S. resident in a Fund that pays us a performance based fee be a "qualified client" within the meaning of Rule 205-3 of the Investment Advisers Act of 1940, as amended.

Depending on the Fund, generally investors must invest a minimum dollar amount of \$1,000,000. The Managers of each Fund may waive the minimum investment amount at their sole discretion.

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

Our Fund clients typically invest equity and equity-related securities of private operating companies in negotiated transactions. Our client Funds make both control and non-control investments, and in both cases requires there to be significant ownership on the part of company management. For each client Fund, we make investment recommendations in accordance with the investment strategies described in the Fund's Documents.

Prior to making an investment, M/C carries out a fundamental analysis of a target investment's position and prospects, including cash flows, market analyses, leadership team, projected exit strategy and intellectual property protection. A vital element of this analysis is the development of an operating plan that, if the investment is consummated, will form the basis for the portfolio company's operating targets.

### ***Risks***

The investment strategies described above, and other strategies that may be pursued by the Funds, involve a substantial degree of risk, and the Funds may lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies and methods of analysis described above are described in more detail in the applicable Fund's Documents and include the following:

### ***Business Risks***

The Funds' investments consist primarily of securities issued by privately-held companies, and operating results in a specified period are difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses. Among those risks are the general risks associated with investing in companies at an early stage of development and/or with operating losses and/or with significant variations in operating results. In many cases, these companies require substantial capital to support expansion plans to achieve and maintain a competitive position. Such companies also face intense competition from established companies with greater resources and capabilities.

Investments in more mature companies in the expansion or profitable stage also involve substantial risks. The companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales and general management of these activities. Development-stage companies often experience unexpected problems in the areas of product development, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies which survive and prosper can be small.

### ***Limited Partners May Not Receive Distributions***

There can be no assurance that the operations of any Fund will be profitable, that any Fund will be able to avoid losses or that cash from the Fund's investments will be sufficient to enable the Fund to make distributions to its investors. No Fund will have any source of funds from which to pay distributions to its investors other than income and gain received from Fund investments and the return of capital.

### ***Investment in Junior Securities; Minority Holdings***

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

The Funds will take stakes in privately held companies and may also invest directly in publicly traded companies. Therefore, the Funds may at times hold minority equity stakes in public companies, which might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling stakes.

### ***Concentration of Investments***

The Funds participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Funds' investment portfolios could become highly concentrated, and aggregate returns may be affected substantially by the performance of a few holdings. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

### ***Lack of Sufficient Investment Opportunities***

It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, investors in the Fund will be required to pay annual management fees during the investment period based on the entire amount of their commitments.

### ***Management Fee Will Be Paid to the Managers Regardless of Funds' Performance***

Whether or not suitable investment opportunities are available to a Fund and regardless of whether the Fund experiences net losses in a particular year or over the term of the Fund, investors in that Fund will be required to make payments to the Fund to cover the management fee and to reimburse the Manager for certain expenses.

### ***Illiquidity; Lack of Current Distributions***

An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the



partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there may be no current return on the investments. Furthermore, the expenses of operating a Fund (including the annual management fee payable to the Manager) may exceed its income, thereby requiring that the difference be paid from the Fund's capital.

### ***Leveraged Investments***

A Fund may make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The use of leverage will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. In addition, this Fund leverage could increase declines in the net value of the Fund's investments in portfolio companies in a down market. In addition, it is possible that a leveraged portfolio company in which a Fund invests will not have sufficient cash flow to pay its current debt service obligations as they become due or will not be able to refinance its outstanding indebtedness on favorable terms, or at all, upon maturity. It is anticipated that certain portfolio companies will have outstanding variable rate debt. An increase in interest rates could impact such portfolio companies' ability to meet current debt service obligations. If a portfolio company is unable to timely meet its payment obligations or fails to satisfy applicable financial covenants, the portfolio company's lenders typically will have the ability to exercise a variety of remedies under the relevant credit documents, including foreclosing on the assets of the portfolio company that are used to secure the underlying debt. Any rights of a Fund as an equity holder will be junior to the rights of the portfolio company's lenders, whether the underlying debt is secured or not. If a portfolio company is liquidated or sold, there may be no assets remaining for equity holders after the portfolio company's creditors are paid.

### ***Limited Transferability of Interests in Funds***

There is no public market for any interest in a Fund. There are substantial restrictions upon the transferability of any interest in a Fund under the Fund's limited partnership agreement or limited liability company agreement and applicable securities laws. In general, withdrawals of any interests in a Fund are not permitted. In addition, interests in a Fund are not redeemable.

### ***Restricted Nature of Investment Positions***

Generally, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Consequently, a Fund may not be able to dispose of an investment when it desires to do so. Certain investments may be distributed in kind to the investors in that Fund.

### ***Reliance on the Managers***

Control over the operation of a Fund will be vested entirely with the Manager of that Fund, and the Fund's future profitability will depend largely upon the business and investment acumen of our employees. The loss of service of one or more of our employees could have an adverse impact on a

Fund's ability to realize its investment objectives. No assurances can be given that each of our employees will continue to be affiliated with us throughout a Fund's term. Some of our employees may have limited experience working together to manage investment funds such as the Funds. Notwithstanding any prior experience that our employees may have in making investments of the type expected to be made by the Funds, any such prior experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that our employees will be able to duplicate prior levels of success.

***Reliance on Portfolio Company Management***

Our task of identifying investment opportunities, managing such investments and realizing a significant return for investors in the Funds is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize such investments successfully. Although we will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although we intend to have the Funds invest in companies with strong management, there can be no assurance that the management of such companies will continue to operate a company successfully.

***Lack of Management Rights; Approval Process***

Investors in the Funds will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Funds. As a result, the investment performance of a Fund will depend entirely on our actions.

***Fund Investments May Not Be In the Best Interests of Some Investors***

The investors in a Fund may have conflicting interests that stem from differences in investment preferences, domicile, tax status and regulatory status. We will attempt to consider the objectives of the Fund and its investors as a whole when making decisions with respect to the selection, structuring and sale of portfolio investments, but it is inevitable that such decisions may be more beneficial for some investors over others.

***Capital Commitment May Not Be Fully Drawn Down***

Investors in a Fund may be called upon to make capital contributions at any time during the investment period and, subject to limited exceptions, after the investment period. While it is in the interest of the Fund's Manager to draw upon all available commitments to the Fund, to increase the Manager's potential return as an investor in the Fund, there can be no assurance that commitments will be fully drawn down.

***Fund's Inability to Invest if Commitments are not Met***

If one or more investors in a Fund fail to fund their commitments, the capital available to the Fund may be insufficient to meet the Fund's investment objectives.

### ***Absence of Operating History***

The Funds have no operating history and will be entirely dependent on their respective Managers. Furthermore, there can be no assurance that any Fund's investments will achieve results similar to those attained by our previous investments. In addition, any Fund's investments may differ from previous investments made by us in a number of respects.

### ***Projections***

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

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

Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

### ***Funds May Face Competition From Other Similar Funds***

The business of investing in the industries that the Funds invests in is competitive. Any number of new funds with similar investment objectives may be formed by other parties at any time and well established funds with more generalized investment capabilities may enter into the industries that the Funds invest in at any time. Therefore, competition for suitable investment opportunities may become more intense in the future. This may adversely affect the terms upon which the Funds make investments and may decrease the number of suitable investment opportunities.

### ***A Fund's Investments May be Subject to Litigation and Claims***

A Fund and the members of the Manager of the Fund, as well as our employees, will be subject to the risk of litigation in connection with our ongoing business activities, particularly claims and suits brought against directors and controlling persons of the Funds' portfolio companies. Generally, it is anticipated that investments made by a Fund will be structured to require that the portfolio company provide indemnification for any claims or suits brought against the Fund, its affiliates and employees; provided, however, there can be no assurance that such indemnification will be sufficient to fully cover all such liabilities and costs. In addition to any portfolio company indemnification, each Fund will fully indemnify its Manager, our employees, and their affiliates, employees and agents against the costs and

expenses (including legal fees), as incurred, in connection with their activities on behalf of the Fund, except in cases where an indemnified liability has been finally determined to have resulted from an indemnified party's gross negligence, willful malfeasance, or fraud. To the extent indemnification from a portfolio company is not available, the Fund's indemnification would be called upon by its Manager, our employees and their affiliates, employees and agents. Accordingly, the Fund could be materially and adversely affected by its obligation to fund such indemnification.

### ***The Funds Are Not Regulated by Any Laws or Agencies***

The Funds are not registered under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"). The 1940 Act provides certain protection to investors and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to incur leverage), none of which will be applicable to the Funds. Neither the Managers nor M/C is registered under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or registered with the Financial Industry Regulatory Authority, and thus they are not subject to the record-keeping and specific business practice provisions of such acts or rulemaking authority. Accordingly, investors will not benefit from the protections afforded under such acts if such entities were registered hereunder.

### ***Cash Distributed to Investors in a Fund May Not be Sufficient to Pay Tax on the Income Allocated to Such Investors***

Under certain circumstances, the investors in a Fund could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if the Fund had not made distributions in an amount to cover the federal, state and local income taxes that might result from such taxable income.

### ***Tax Risks***

Certain tax risks relating to an investment in the Fund are discussed in Section XIII – Legal and Tax Matters, which prospective investors should read carefully. No assurances can be given that current tax laws, rulings and regulations will not be changed during the life of the Fund. Prospective Limited Partners should consult their tax advisors for further information about the tax consequences of purchasing an interest in the Fund.

### ***Withholding and Other Taxes***

We intend to structure the Funds' investments in a manner that is intended to achieve the Funds' investment objectives and, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which a Fund makes portfolio investments. Furthermore, a Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which the Fund's portfolio companies are organized.

### ***Foreign Investments***

The Funds may invest in portfolio companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments.

### ***ERISA Considerations***

The Fund will use best efforts to conduct the affairs and operations of the Fund so that the assets of the Partnership will not be considered “plan assets” for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including qualifying the Fund as a “venture capital operating company” under U.S. Department of Labor (“DOL”) regulations. Investors subject to ERISA should consult with their advisors as to the effect of ERISA on an investment in the Fund. The Fund may require certain representations and assurances from Limited Partners that are subject to ERISA.

### ***Significant Default Penalties***

The limited partnership agreements and limited liability company agreements of the Funds contain significant penalties in the event an investor defaults on its capital commitment or other payment obligations. In addition to losing its right to potential distributions from the Fund, a defaulting investor may be subject to a variety of adverse consequences including the forced transfer of its interest in the Fund for an amount that is less than the fair market value of such Interest and that may be paid over a period of years, without interest.

### ***Dilution***

Investors admitted to a Fund at subsequent closings will participate in then existing investments of the Fund, thereby diluting the interest of existing investors in such investments. Although any such new investor will be required to contribute its pro rata share of previously-made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund’s existing investments at the time of such contributions.

### ***Managers’ Carried Interest***

The fact that the Managers’ carried interest in certain of our Funds is based on a percentage of net profits, may create an incentive for us to cause the Funds to make riskier or more speculative investments than would otherwise be the case.

### ***Director Liability***

The Funds will often obtain the right to appoint a representative to the board of directors of the companies in which they invest. Serving on the board of directors of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Although portfolio companies often have insurance to protect directors and officers from such liability, such insurance may not be obtained by all portfolio companies and may be insufficient if obtained.

### ***Potential Liabilities***

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Manager of the Fund may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

### ***Potential Conflicts of Interest***

There are potential conflicts of interest in the Funds' structures and operation, particularly with respect to activities of our employees outside of their activities on behalf of any particular Fund (including with respect to their activities on behalf of other Funds). Furthermore, our employees and their respective affiliates do now, and are permitted to in the future, organize, offer interests in and provide services to, as well as invest in, other funds that may or may not be in the same investment field as the Fund, which activities may conflict with their duties to or interests in the Funds. The Funds have no interest in these activities. As a result of the foregoing, our employees may be engaged in substantial activities other than on behalf of the Funds, may have differing economic interests in respect of such activities, and may have conflicts of interest in allocating their time and activity between one or more of the Funds and other undertakings.

### ***Item 9 – Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no disclosures applicable to this Item.

### ***Item 10 – Other Financial Industry Activities and Affiliations***

We are a registered investment adviser with the United States Securities and Exchange Commission. We act as investment adviser to the Funds, and the Managers of the Funds are our affiliates.

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

We have adopted a Code of Ethics for all employees of the firm describing our high standard of business conduct. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. Our employees must certify at least annually their receipt, understanding and compliance with our Code of Ethics.

Except for our Co-Investment Vehicles, we do not as a general practice recommend that a Fund invest in other Fund(s) or companies in which we or our affiliates have a material ownership interest. Our Co-Investment Vehicles invest alongside one or more of our other Funds on a regular basis. As investors, we or our affiliates share in the profits and losses generated by the investments of the Funds. Certain employees of M/C may invest in Funds either through their Managers, as limited partners or otherwise. A Fund may in its discretion not charge, or reduce all or a portion of the management fee and performance allocation related to investments held by such persons.

In situations where actual or potential conflicts of interest between us and our affiliates and one or more Funds are identified, procedures contained in the Documents of the affected Funds generally provide for submission of the proposed transaction to an advisory committee for review and resolution. The specific procedures for each Fund we advise are set forth in the Documents of the Fund.

The following factors may alleviate, but will not eliminate, conflicts of interest between and among Funds:

- A Fund will not make any investment unless M/C and the Fund's Manager believe that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- Many important conflicts of interest may be resolved pursuant to set procedures, restrictions or other provisions contained in the relevant Documents for the Funds; and
- With respect to the Funds, the advisory committees for a Fund, whose members are not affiliated with the Manager of such Fund, play an important role in resolving conflicts of interest by approving or disapproving decisions that involve certain conflicts of interest referred to it by such Fund's Manager in accordance with the relevant Documents for the Fund.

In connection with its investment activities, M/C may encounter situations in which it must determine how to allocate investment opportunities among various Funds and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any parallel investment entities that have been formed to invest side-by-side with one or more Funds;

- Any Co-Investment Vehicles that have been formed to invest side-by-side with one or more Funds (the investors in such Co-Investment Vehicles may include individuals and entities that are also investors in one or more Funds (collectively, “Investors”) and/or individuals and entities that are not investors in any Funds (collectively, “Third Parties”)); and
- Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Funds.

For each such Fund or other person discussed above, subject to applicable legal, contractual or similar restrictions, M/C generally may decide, in its sole discretion, whether M/C or a related person may seek to charge any fees or to receive any performance-based compensation or allocations in connection with such investment opportunities.

Subject to any restrictions contained in the Documents of the relevant Fund or any side-letter or other terms negotiated with respect to such Fund, in general, (i) no Investor has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of M/C, (iii) co-investment opportunities may, and typically will, be offered to some and not other M/C Investors, in the sole discretion of M/C, and (iv) certain persons other than M/C Investors (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of M/C.

From time to time, M/C may come into possession of material, nonpublic information. In such cases, Funds could be restricted indefinitely in transactions involving a particular issuer. Consequently, the possession of material, non-public information by M/C may limit the ability of a Fund to buy and sell investments. In addition, M/C may be restricted by contract from using confidential information that it has for the benefit of a Fund.

It is expected that most or all of the officers and employees responsible for advising a Fund will have responsibilities with respect to other Funds advised by M/C including funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Generally, M/C does not effect cross transactions between Funds (a “cross-fund transaction”); however, they may be effected in rare instances. In the event that M/C does effect cross-fund transactions between Funds, M/C shall seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements (including obtaining any requisite approvals thereunder) and M/C’s policies and procedures. Neither M/C nor any of its affiliates may receive any compensation for effecting a cross-fund transaction.

The Managers of many Funds are entitled to Carried Interest under the terms of the Documents of such Funds. Such Managers are affiliates of M/C. The existence of the Managers’ Carried Interest may create



an incentive for the Managers to cause such Funds to make more speculative investments than they would otherwise make in the absence of Carried Interest.

The Funds may have tax-exempt, taxable, foreign and other investors, whereas most members of the Managers of the Funds are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with our ability to make decisions and complete transactions in the best interest of our clients.

Our Code of Ethics requires all employees to obtain pre-approval for private placements and IPOs, and prohibits insider trading.

A copy of our Code of Ethics will be provided upon request to any investor in one of our Funds. Such a request can be made by contacting Edward J. Keefe, our Chief Compliance Officer, at 617-345-7235 or [ekeefe@mcpartners.com](mailto:ekeefe@mcpartners.com).

#### *Item 12 – Brokerage Practices*

The investments made by our Funds generally do not require the use of a broker-dealer. On certain occasions, however, an investment by a Fund or disposition of securities held by a Fund will require that we select a broker-dealer to execute a transaction. In that case, we will use a broker-dealer whom we have determined will provide the best execution for the transaction. Generally speaking, best execution means the broker's ability to obtain the best qualitative and quantitative execution reasonably available in the circumstances.

We attempt to achieve these results by choosing broker-dealers to execute transactions based on a range of considerations, including:

- The price and size of the order
- The trading characteristics of the securities involved
- The broker's execution capabilities
- Commission rates
- Financial responsibility
- Responsiveness

We do not take the availability of soft dollars into consideration as it is our policy not to accept research or services in exchange for soft dollars.

#### *Item 13 – Review of Accounts*

M/C closely monitors the investment portfolios of the Funds. M/C professionals continually review and analyze existing investments to attempt to identify issues early on and to take action when necessary. M/C professionals meet periodically to update each other on such investments and related matters.

M/C generally does not provide formal written reports to any Fund unless specifically requested by the Managers of the Fund.

We provide the following reports to investors in each of our Funds:

On an annual basis:

- Audited financial statements
- Tax information necessary for the completion of tax returns

On a quarterly basis:

- Unaudited financial statements
- Capital account summary
- Portfolio company fair market values

#### *Item 14 – Fund referrals and Other Compensation*

We do not receive any economic benefit from any person that is not a client for providing advisory and management services to our Funds.

#### *Item 15 – Custody*

M/C may be deemed to have custody of the assets of the Funds as a result of its and the Managers' authority over the Funds.

It is M/C's policy to cause each Fund with assets over which M/C is deemed to have "custody" to be audited annually by a PCAOB registered independent accounting firm in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940 and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120

days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, M/C will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

#### *Item 16 – Investment Discretion*

M/C provides investment advisory services to each of the Funds pursuant to the Documents of such Fund. Investment advice is provided by M/C directly to the Funds, subject to the direction and control of the affiliated Manager of such Fund. Any restrictions on investments in certain types of securities are established by the Manager of the applicable Fund, and are set forth in the Documents received by each investor prior to investment in such Fund.

#### *Item 17 – Voting Fund Securities*

To the extent matters arise that call for the vote or consent of the investors in a portfolio company of a Fund; we exercise the voting rights on behalf of the Fund in question. It is our policy to vote all proxies in a manner that best serves the interests of the applicable Fund. A copy of our proxy voting policy may be obtained by contacting Edward J. Keefe, our Chief Compliance Officer, at 617-345-7235 or ekeefe@mcpartners.com.

#### *Item 18 – Financial Information*

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Funds and we have not been the subject of a bankruptcy proceeding.

#### *Item 19 – Required for State-Registered Advisers*

We have no state registrations