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# Mercury Capital Access LLC

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**This Brochure provides information about the qualifications and business practices of Mercury Capital Access LLC (“Mercury Capital Access”). If you have any questions about the contents of this Brochure, please contact us at (646) 786-8100. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Mercury is an investment adviser registered with the SEC. Registration with the SEC does not imply any level of skill or training.**

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

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## **ITEM 2 – MATERIAL CHANGES**

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Mercury Capital Access is submitting this Form ADV Part 2A (the “Brochure”) as part of an other-than-annual ADV amendment. This Brochure has been updated to reflect the addition of a separately managed account and, in Item 4, Mercury Capital Access’s regulatory AUM has increased from \$6.4M RAUM to \$38M. Mercury Capital Access will manage client assets on both a discretionary and non-discretionary basis.

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#### ITEM 4 – ADVISORY BUSINESS

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Mercury Capital Access LLC, a Delaware limited liability company was established in 2016 (“Mercury Capital Access”). Mercury Capital Access is owned by Mercury Capital Advisors Group, LP, a Delaware limited partnership which is owned by various persons, none of which hold 25% or more of any class of voting securities. Mercury Capital Advisors, LLC (“Mercury Capital Advisors”), is a broker-dealer primarily engaged in the private placement of securities and is registered with the SEC and is a member of the Financial Regulatory Authority Inc. (“FINRA”). Mercury Capital Advisors serves as Mercury Capital Access’ private placement agent in respect of each iFund (as defined below) advised by Mercury Capital Access. For additional information on Mercury Capital Advisors, see Item 14 below.

As a registered investment adviser, Mercury Capital Access provides investment advisory services to Mercury iFunds™ LLC, a Delaware multi-series limited liability company (the “Company”) and each series thereof (each, a “Mercury iFund”). Mercury Capital Access will offer interests in each Mercury iFund through an online investment platform (the “Mercury iFunds Platform™”) operated by Mercury Capital Advisors. Mercury Capital Access’ advisory services include identifying third party managers (“Investment Managers”) of hedge funds (“Underlying Hedge Funds”), private equity funds (“Underlying PE Funds”), separately managed accounts and other private investment vehicles (collectively, “Private Funds”) to which the Mercury iFunds may allocate assets. Certain Mercury iFunds may be structured as tax-efficient funds (“TEFTMs”), which will gain exposure to Private Funds through the purchase of one or more privately placed deferred variable annuity contracts (“Contracts”) purchased from one or more insurance companies (“Insurance Companies”). Accordingly, each Mercury iFund may have its own strategy, restrictions and risks. Investors should refer to the confidential offering memorandum of the Company and the applicable supplemental memorandum of a Mercury iFund (collectively, the “Memorandum”) as well as the underlying Private Fund’s private placement memorandum (an “Underlying Fund OM”) for a complete discussion of fees, risks, conflicts of interest, and such other disclosures as are determined appropriate by the Investment Managers. Each Mercury iFund will be exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), pursuant to either Section 3(c)(1) or Section 3(c)(7) thereunder. The Mercury iFunds’ securities are not registered under the Securities Act of 1933, as amended. The Mercury iFunds permit investors to access top quality Underlying Hedge Funds and Underlying PE Funds at investment minimums which may be as low as \$100,000, as set forth in the Memorandum.

In addition, clients will have access through the Mercury iFunds Platform™ to Investment Managers with whom clients may directly engage for discretionary or non-discretionary investment management services (collectively, “Separate Account Clients”). An Investment Manager’s provision of services to Separate Account Clients will be pursuant to a separate management agreement between the client and the Investment Manager.

Each Private Fund's Investment Manager will be responsible for managing the investments of a Private Fund on a discretionary basis in accordance with the investment objectives and investment strategies of such Private Fund. Such Investment Managers may employ various strategies and can invest or trade in a wide array of financial instruments, including, without limitation, securities (long positions and short sales, on margin or otherwise, listed or unlisted, in public or private offerings), including but not limited to equities, bonds, debentures, money market obligations and options to buy and sell securities of issuers in any jurisdiction; commodities (including any that are now, or may hereafter be, the subject of commodities or commodities contract trading), futures contracts, cash and forward contracts, currencies, foreign exchange commitments, options on futures contracts and physical commodities, swaps, derivatives, and any rights and interests pertaining thereto; and securities of and interests in Private Funds, registered investment companies, managed accounts and derivative instruments linked to the return of private investment vehicles and managed accounts; as well as physical or real assets (real estate, energy and other hard assets), loans, buyout and infrastructure.

As of the date of this filing, Mercury Capital Access manages \$38,014,390 in client assets on a discretionary and non-discretionary basis. Mercury Capital Access does not and does not intend to participate in a wrap fee program.

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## ITEM 5 – FEES AND COMPENSATION

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**Manager Fee for the Mercury iFunds:** In connection with Mercury Capital Access' management of the Mercury iFunds, Mercury Capital Access will generally charge a quarterly management fee to each Mercury iFund based on either a percentage of assets under management or capital commitments, as applicable (the "Manager Fee") as described in a Mercury iFund's Supplemental Memorandum. The Manager Fee charged will typically range between 0.50% and 1.00% per annum. In addition, Mercury Capital Access may offer limited capacity founders classes on specific series with a Manager Fee typically between 0.05% and 0.40% per annum. Mercury Capital Access will not charge or take any performance fee or allocation with respect to each Mercury iFund. The Manager Fee may be borne by a Private Fund or its Investment Manager and paid to Mercury Capital Access. Mercury Capital Access may, in its discretion, waive or reduce such fees for large or strategic investors.

**Payments to Investment Managers:** In addition to the Manager Fee described above, the Mercury iFunds are generally subject to their pro rata portion of any fees charged by the Private Funds. These fees typically include a management fee, which generally ranges from 1.00% – 2.00% on an annual basis, and in most cases an incentive compensation arrangement, which generally ranges from 10% - 20% of the capital appreciation in the Private Fund. In respect of Private Funds that are private equity funds, Mercury iFunds are often subject to a preferred return and general partner catch-up. Investors should refer to the Underlying Fund OM for full disclosure relating to all the fees a Mercury iFund would be subject to in connection with its investment in a Private Fund.

**Mercury Capital Access Fee for the Separately Managed Accounts:** Mercury Capital Access receives a management fee for the services it provides to separately managed accounts. The billing frequency is set forth in each client's agreement with Mercury Capital Access, but fees are generally charged on a monthly or quarterly basis. In connection with the Separate Account Clients, Mercury Capital Access will

generally share the management fee received by the Investment Manager from the client for so long as the client remains a Separate Account Client.

**Organizational and Operating Expenses:** As more fully described in a Mercury iFund's Supplemental Memorandum, each Mercury iFund will also be responsible for ordinary expenses and its pro-rata portion of any ordinary expenses of the Company, including, without limitation, bookkeeping, accounting, auditing, recordkeeping, administration, computer and clerical expenses; printing and duplication expenses; directors' and officers' liability insurance; investment and operating expenses, including all due diligence expenses incurred in the selection and monitoring of the Private Funds and Investment Managers; expenses incurred in connection with the continued offering of Interests; filing fees and such other reasonable expenses necessary for the operations of the Company and each Mercury iFund, as determined by Mercury Capital Access in its sole discretion unless otherwise paid for by Mercury Capital Access on the Mercury iFund's behalf. Each Mercury iFund will reimburse Mercury Capital Access for any such ordinary expenses borne by Mercury Capital Access and also may bear its pro-rata portion of any such ordinary expenses incurred with respect to other Mercury iFunds as determined by Mercury Capital Access in its sole discretion. The ordinary expenses also may be borne by a Private Fund or its Investment Manager and paid to Mercury Capital Access.

A Mercury iFund structured as a TEF<sup>TM</sup> is expected to bear charges imposed by Insurance Companies related to certain mortality and expense risks in connection with Contracts and certain other fees related to the management of the TEF<sup>TM</sup> which are described in the applicable TEF Supplemental Memorandum. The charges related to certain mortality and expense risk and certain other fees related to the management of the TEF<sup>TM</sup> may also be borne by a Private Fund or its Investment Manager and paid to Mercury Capital Access.

In addition, each Mercury iFund will indirectly bear its pro rata portion of the expenses of the Private Fund to which it allocates assets. Such expenses may include, without limitation, those enumerated above as well as a management fee and a performance fee or allocation payable to the relevant Investment Manager, investment related travel expenses; market data, software and connectivity charges; brokerage commissions; bank charges; custody fees; exchange, board of trade or other trading or execution facility membership or participation expenses; or such other expenses as the relevant Investment Manager may determine necessary for the operations of the relevant Private Fund.

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## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Mercury Capital Access will not charge the Mercury iFunds a performance-based fee or carried interest to its investors. It should be noted, however, that the Investment Managers generally will charge performance-based fees or carried interest for their management of the Private Funds in which the Mercury iFunds will invest.

Separate Account Clients may not all pay identical fees since each Separate Account Client may have a different fee structure. As a result, potential conflicts of interest can arise. One potential conflict of interest is that there is a potential for providing preferential treatment to one Separate Account Client over others in terms of allocation of management time, resources, and investment opportunities. Mercury Capital Access undertakes to act in a fair and equitable manner and to resolve and mitigate conflicts or

potential conflicts in a timely manner. To mitigate these risks, Mercury Capital Access has implemented policies and procedures to address trade allocation decisions. These policies seek to ensure fair allocation of investment opportunities among all Separate Account Clients and minimize any potential for bias.

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## **ITEM 7 – TYPES OF CLIENTS**

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Mercury Capital Access will provide investment advisory services to Separate Account Clients and the Mercury iFunds. The Mercury iFunds rely on an exemption from the definition of “investment company” under either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. Mercury Capital Access offers interests in the Mercury iFunds pursuant to Regulation D under the 1933 Act.

Investors in Separate Account Clients and the Mercury iFunds may include high net-worth individuals and estate planning vehicles, family offices, registered investment advisers on behalf of its clients, as well as a variety of institutional investors.

Each of the investors in a Mercury iFund are subject to applicable suitability requirements as set forth in the applicable Mercury iFund’s Supplemental Memorandum. Mercury Capital Access does not have a minimum size for each Mercury iFund, but the minimum investment commitment in a Mercury iFund is generally \$100,000, although Mercury Capital Access has the authority to accept subscriptions or capital commitments for a lesser amount.

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## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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The Mercury iFunds’ primary investment objective will be to allow investors to gain exposure to select fund managers at significantly lower investment minimums than would be required for a direct investment in any underlying Private Fund. Mercury Capital Access will accomplish this by leveraging its and its affiliates’ sourcing advantages and employing an ongoing diligence approach to effect an efficient investment process. Mercury Capital Access does not have discretionary trading authority over the assets of each Mercury iFund given that the investment mandate of each Mercury iFund is hard-wired to be invested into a Private Fund managed by the Investment Managers.

Mercury Capital Access’ initial due diligence on prospective Investment Managers that will be onboarded to the Mercury iFunds Platform™ will be primarily conducted by Mercury Capital Advisors. Such due diligence is intended to assess an Investment Manager’s suitability for inclusion on the Mercury iFunds Platform™ and will be provided to Mercury Capital Access by Mercury Capital Advisors. Primary considerations will include an assessment of the Investment Managers’ background, the suitability of the investment strategy and the Investment Manager’s compliance policies. Mercury Capital Access will review all materials provided by Mercury Capital Advisors and will be provided the opportunity to ask additional questions as it deems necessary or appropriate. This due diligence is designed to confirm a prospective Investment Manager’s ability to operate a Private Fund and it should not be used to replace an investor’s own due diligence.

Mercury Capital Advisors receives commissions from the Private Funds included on the Mercury iFunds Platform™. As a result, the universe of Private Funds that Mercury Capital Access will evaluate and

ultimately select from is more limited than would be the case if Mercury Capital Advisors was not involved in the due diligence, selection and onboarding process.

Prior to inclusion on the Mercury iFunds Platform™, Mercury Capital Access expects to enter into an agreement with Investment Managers, and in particular those that manage Underlying PE Funds, with respect to default procedures in the event that a Mercury iFund fails to make a capital contribution to a Private Fund when required as a result of an investor in such Mercury iFund failing to meet its obligation to the Mercury iFund.

Mercury Capital Access' authority is solely limited to determining which Private Funds in which a Mercury iFund will invest. Thereafter, each Mercury iFund is hard-wired to be invested into a Private Fund managed by an Investment Manager. Mercury Capital Access does not select a Private Fund to invest with or initiate any withdrawal from a Private Fund unless instructed to do so by a Mercury iFund investor.

Mercury Capital Access may engage in any activity or make any advisory decision, including any not described in this Brochure, that Mercury Capital Access considers appropriate or necessary in the fulfillment of its fiduciary obligation and for the protection of the Mercury iFunds.

There can be no assurance that the Mercury iFunds will achieve their investment objective or that the strategies pursued and methods utilized by the Investment Managers will be successful under all or any market conditions.

### **Material Risks**

Listed below are some of the risks associated with operating the Mercury iFunds. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Private Funds' investment strategies. Some of the risks described below may apply to the Mercury iFunds directly or indirectly. For a complete explanation of the Mercury iFunds' relevant investment strategies and their associated risks, investors in the Mercury iFunds should review each applicable Mercury iFund's offering documents, which may contain additional explanations of strategies, risks and other related details not discussed below.

- **Dependence on the Investment Manager.** All decisions with respect to the investment activities of a Private Fund are made exclusively by the Investment Manager.
- **No Reliance on the Manager.** Mercury Capital Access' status as the manager in respect of any Mercury iFund does not constitute any express or implied warranty or representation as to any matter, including, without limitation, (i) the quality, qualification and/or reputation of the Investment Manager or any other service providers to, or any party connected with, such Mercury iFund, (ii) the suitability of such Mercury iFund for investment purposes, (iii) the adequacy of the information contained in the Memorandum other than information pertaining to itself and its role as manager, or (iv) the reduction or elimination of risks or the enhancement of profits of an investment in such Mercury iFund. Though Mercury Capital Access expects Mercury Capital Advisors to perform due



diligence with respect to each Investment Manager recommended to the Mercury iFunds prior to permitting an Investment Manager to establish a Mercury iFund, any such due diligence will be undertaken for the benefit of Mercury Capital Access and should not be relied upon by any prospective investor.

- **Delegation of Control.** As an investor in the relevant Private Fund, a Mercury iFund will rely on the relevant Investment Manager for all investment and trading decisions of the relevant Private Fund. While Mercury Capital Access will have exclusive authority over each Mercury iFund's administration and the decision to invest in or withdraw and/or redeem from the relevant Private Fund, it will not make, and will not have the power or authority to make, any investment decisions concerning the relevant Private Fund. Furthermore, although Mercury Capital Access carefully screens the Private Fund (and the related Investment Manager) chosen for each Mercury iFund, it has no ability to predict the investments the Investment Manager may select, or whether the Investment Manager will act in accordance with its constituent documents and/or any descriptive materials furnished by the Investment Manager to Mercury Capital Access. If an Investment Manager does not operate in accordance with the investment strategy or guidelines (if applicable) set forth in any such document or agreement, or if the information furnished by an Investment Manager is not accurate, a Mercury iFund may sustain losses with respect to its investment in the relevant Private Fund. There is no guarantee that Mercury Capital Access will be able to successfully monitor the investment activities or performance of any Investment Manager. In addition, investors will not have the opportunity to fully evaluate for themselves the relevant economic, financial and other information regarding the investments of any Mercury iFund or the related Private Fund. Accordingly, no prospective investor should purchase an interest unless such prospective investor is willing to entrust to the relevant Investment Manager all aspects of the investment decisions of the relevant Mercury iFund.
- An Investment Manager may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Mercury Capital Access. These strategies may involve risks under some market conditions that are not anticipated by the Investment Managers or Mercury Capital Access. Furthermore, the death, incapacity or retirement of any key personnel of any Investment Manager may adversely affect investment results of the relevant Private Fund and therefore the relevant Mercury iFund. Certain Investment Managers may be or consist of only one key person or principal, which increases this risk.
- Mercury Capital Access will not have any control either over the institutions selected by the Investment Managers for brokerage, clearing and custody services or over the counterparties with which the Private Funds transact. In addition, fraud at or the bankruptcy of one of these institutions could impair the operational capabilities or the capital position of the Private Funds for which the institution provides such services. There can be no assurances that such investments will be successful or will not result in substantial losses.
- **Risks Related to Investing in Private Equity Underlying PE Funds.** A Mercury iFund may invest substantially all of its capital in one or more Underlying PE Funds. Because the Underlying PE Funds are private equity funds or co-investment funds, a Mercury iFund generally will be unable to redeem or withdraw, as applicable, from the Underlying PE Fund at its option, and there are

significant restrictions associated with the ability to sell, transfer or otherwise dispose of an investment in an Underlying PE Fund. Further, the lack of liquidity of each Underlying PE Fund investment, and the possibility of limited information regarding the investments of each such Underlying PE Fund, may make it difficult for an administrator or valuation agent of an Underlying PE Fund to accurately value the Underlying PE Fund, and may cause any resulting valuations to be inaccurate. Such inaccuracies could result in a higher amount of management fees payable by investors in the Underlying PE Fund (including a Mercury iFund). In addition, the length of each Mercury iFund investment in an Underlying PE Fund will depend on the term of the Underlying PE Fund, which term could be extended from time to time in accordance with the Underlying Fund OM. Accordingly, the duration of a Mercury iFund's investment in an Underlying PE Fund is expected to be a very extended period of time and could be made longer if the Underlying PE Fund extends its term.

- **Risks Related to Investing in Funds structured as TEF<sup>TM</sup>s.** A Mercury iFund structured as a TEF<sup>TM</sup> will invest substantially all of its capital in one or more Contracts that are expected to be relatively illiquid and not subject to pricing based upon quoted prices in active markets, and the pricing of the Contracts will be substantially based upon the pricing of the securities of or interests in special Underlying Hedge Funds or Underlying PE Funds. The value of the Contracts is based upon the value of the applicable Private Fund at any time. There is no guarantee that any minimum amount will be paid under a Contract by the related Insurance Company, including any payment made on the account of the death of an annuitant under a Contract. The risk related to Contracts, as well as other risks related to an investment in a TEF<sup>TM</sup> are described in the applicable TEF<sup>TM</sup> Supplemental Memorandum.
- **Access to Information from Investment Manager.** A Mercury iFund will receive periodic reports from an Investment Manager at the same time as the Investment Manager's other investors. Mercury Capital Access will request detailed information on a continuing basis from each Investment Manager regarding such Investment Manager's historical performance and investment strategies. However, Mercury Capital Access may not always be provided with detailed information regarding all the investments made by the Investment Manager. This lack of access to information may make it more difficult for the Manager to select, allocate among and evaluate the Investment Manager and may prevent Mercury Capital Access from fully appreciating all the risks involved in a particular Investment Manager's strategy.
- **Actions of Investment Managers.** Although the Investment Managers will be subject to certain fiduciary duties, there can be no assurances against fraud, misappropriation or other misconduct by an Investment Manager. Such misconduct by an Investment Manager would adversely affect the performance of a Mercury iFund and, consequently, the return on the interests. This risk may be heightened with respect to Private Funds that are self-custodied and/or self-administered. In an effort to minimize this risk, certain aspects of the operational due diligence process performed by Mercury Capital Access seek to confirm the legitimacy and accuracy of information.
- **Possible Adverse Effects of Increasing the Assets Managed by the Investment Managers.** It may be difficult or impossible for an Investment Manager to take or liquidate a position in a particular

financial instrument in accordance with its trading systems, methods or strategies due to the size of the accounts which are or may be managed by the Investment Manager. An Investment Manager may be limited in the amount of assets that it can successfully manage by both the difficulty of executing substantially larger trades to reflect larger equity under management and the restrictive effects of possible market illiquidity and of speculative position limits or restraints on disposition. The rates of return recognized on the investment and/or trading of a limited amount of assets may have little relationship to those an Investment Manager can reasonably expect to achieve when trading larger amounts of assets. An Investment Manager may not have agreed to limit its assets under management, even though doing so might be in the best interests of the relevant Private Fund.

- **Increased Expenses.** Rather than being invested directly in financial instruments, the assets of each Mercury iFund will be invested in a Private Fund. With respect to the investment by a Mercury iFund in an Underlying Hedge Fund or Underlying PE Fund, the coupling of direct fees and expenses of such Mercury iFund (which may include payment of a management fee) with its indirect fees and the expenses of the Underlying Hedge Fund or Underlying PE Fund results in at least two levels of fees and thus greater expense than would be associated with a direct investment by a Mercury iFund in financial instruments. The expenses of such Mercury iFund may therefore constitute a higher percentage of its net assets than is the case with other investment entities. The foregoing fees and expenses are payable by each Mercury iFund regardless of whether the Mercury iFund realizes any profits.
- **Limited Liquidity or No Liquidity.** Because of the limitations on withdrawals and the fact that interests in the Mercury iFunds are not tradable, an investment in a Mercury iFund is relatively illiquid and involves a high degree of risk. Subscriptions for interests should be considered only by sophisticated investors that have the financial capacity to maintain their investments and to pay the taxes with respect thereto from other sources, and that can afford to lose all or a substantial part of their investments.
- **Liquidity Rights Related to Underlying Hedge Funds.** A Mercury iFund may make investments in Underlying Hedge Funds. There are a wide range of limitations on the liquidity of investments in those Underlying Hedge Funds. For example, certain Underlying Hedge Funds may permit withdrawals only on a semi-annual, annual, or less frequent basis and/or be subject to “lock-ups” or withdrawal “gates” that restrict withdrawals. As a result, the Mercury iFund could be unable to withdraw its capital from an Underlying Hedge Funds in which it invests for an extended period after Mercury Capital Access has determined that the Investment Manager operating such Underlying Hedge Fund has begun to deviate from its announced trading policies and strategy.
- **Liquidity Rights Related to Underlying PE Funds.** An investment in a Mercury iFund that will invest in Underlying PE Funds requires a long-term commitment by investors, with no certainty of return, to contribute substantial amounts of capital to the Mercury iFund, if and when called, upon short notice. Investors that are unwilling to comply with their capital contribution obligations, risk forfeiture, among other things, of a portion, and possibly all, of their interest in such Mercury iFund. An investment in a Mercury iFund that will invest in Underlying PE Funds should be viewed as illiquid as there is not now, nor is there expected to be, a public market for the interests in a Mercury

iFund and it is uncertain as to when profits, if any, will be realized. Accordingly, an investor may not be able to liquidate its investment and its interest in a Mercury iFund may not be used as collateral for loans or likewise. An Underlying PE Fund's investments will be highly illiquid, and there can be no assurance that an Underlying PE Fund will be able to realize such investments in a timely manner.

- **Multiple Series.** The Mercury iFunds are separate series of a Delaware multi-series limited liability company formed pursuant to the Delaware Limited Liability Company Act, as amended (the “**LLC Act**”). The LLC Act provides that, if certain requirements of the LLC Act are satisfied, the debts, liabilities and obligations relating to a particular series are enforceable only against the assets of that series and not against the assets of the limited liability company generally or the assets of any other series. The Company may operate or have assets held on its behalf or be subject to claims in other jurisdictions, which may not necessarily recognize the legal segregation of the Mercury iFunds. Further, other contractual arrangements entered into by the Company or by a Mercury iFund may have the effect of defeating the segregation protections of the LLC Act. Mercury Capital Access intends to structure the Mercury iFunds to comply with the LLC Act and to operate the Company with the assets of each Mercury iFund segregated on the Company's books and records so that the assets of one Mercury iFund are not subject to the liabilities of any other Mercury iFund. However, there is no assurance that this structure and operation will be respected in all circumstances and in all jurisdictions.
- **Disaster Recovery and Data Security.** In managing the assets of each Mercury iFund, Mercury Capital Access relies on information technology and data management systems, which can fail or be subject to interruption or destruction caused by natural or man-made occurrences such as extreme weather, fires, earthquakes, power loss, telecommunications failures, terrorist attacks, hacking, break-ins, sabotage, intentional acts of destruction, vandalism, or similar events or misconduct. Any failure, interruption, or destruction of Mercury Capital Access' information technology systems or data could have a material adverse impact on the operations of Mercury Capital Access and/or the applicable Mercury iFund. In addition, a breach in the security of Mercury Capital Access' systems could result in the theft, disclosure, or loss of investor, proprietary, and other sensitive information relating to Mercury Capital Access and/or each Mercury iFund, which in turn could lead to litigation in which such Mercury iFund could incur liability.

Mercury Capital Access has in place information security, incident response, backup, and disaster recovery procedures intended to prevent or mitigate damage if such an event occurs. However, a breach could nevertheless occur, and such procedures could fail or be insufficient to avoid, mitigate, or remedy the breach. Moreover, the ever-changing methods and technologies used to obtain unauthorized access to systems through means such as third-party acts, computer error, malicious code, employee error, or malfeasance often are not known until used against a potential target. Therefore, Mercury Capital Access may be unable to anticipate the destructive or invasive methods and technologies that could be used against its systems or to implement adequate protections.

The foregoing is a summary of the material risks involved in Mercury Capital Access' operation of the Mercury iFunds. Further discussion of risk factors related to each Mercury iFund is presented in its Supplemental Memorandum, which is available to current and eligible prospective investors in such

Mercury iFund. Please also refer to a Private Fund's Underlying Fund OM for additional risk factors and other disclosures as well as the applicable Investment Manager's Form ADV.

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### **ITEM 9 – DISCIPLINARY INFORMATION**

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There are no legal or disciplinary events that are material to a client's or investor's or prospective client's or prospective investor's evaluation of Mercury Capital Access' advisory business or the integrity of Mercury Capital Access' management.

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### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Mercury Capital Access is registered as a commodity pool operator and commodity trading adviser with the Commodity Futures Trading Commission. Some management persons of Mercury Capital Access also will be registered Associated Persons with the National Futures Association.

Mercury Capital Access is not registered as a broker-dealer and does not have an application pending to register with the SEC as a broker dealer. However, Mercury Capital Access is affiliated with Mercury Capital Advisors, a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority (FINRA). Mercury Capital Advisors acts as a broker-dealer in respect of each of Mercury Capital Access' private placements. (See Item 14 below for additional information.) See "Conflicts of Interest" in Item 11 below for a description of how Mercury Capital Access addresses any conflicts of interest created by its relationship with Mercury Capital Advisors.

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### **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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**Code of Ethics:** Mercury Capital Access has adopted a Code of Ethics (the "Code") that sets forth the ethical and fiduciary principles and related compliance requirements under which Mercury Capital Access operates and the procedures for implementing those principles. The Code includes provisions that govern fiduciary duty, insider trading, personal trading, gifts and entertainment, political contributions, outside business activities and confidentiality.

The Code contains policies and procedures that, among other things:

- prohibit trading on the basis of material nonpublic information;
- require initial and quarterly reports of securities holdings and quarterly transaction reports by Employees; and
- ensure that Employees do not take inappropriate advantage of their position.

Mercury Capital Access' Code of Ethics is available to clients or prospective clients upon request from Mercury Capital Access' Chief Compliance Officer Jane Shahmanesh at [jshahmanesh@mcadv.com](mailto:jshahmanesh@mcadv.com).

**Participation or Interest in Client Transactions:** Mercury Capital Access serves as the manager to the Mercury iFunds. Employees, affiliates of the employees and relatives of employees may make investments in the Mercury iFunds if they independently meet the suitability requirements of the Mercury iFund and if the transaction is pre-approved by Mercury Capital Access' management. Mercury Capital Access may waive or reduce fees in respect of any investor and generally intends to waive the fees in respect of any employees of Mercury Capital Access and certain affiliates and estate-planning vehicles thereof.

Each Investment Manager is responsible for making portfolio transactions and the allocation of investments for any Private Fund it manages. Neither Mercury Capital Access nor any Mercury iFund have the discretion or control over an Investment Manager's decisions.

**Conflicts of Interest:** Mercury Capital Access and its related entities engage in a broad range of activities, including providing transaction-related, investment management and other services. In the ordinary course of conducting its activities, the interests of a Mercury iFund may conflict with the interests of Mercury Capital Access, other Mercury iFunds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how Mercury Capital Access addresses such conflicts of interest, can be found below.

**Compensation from Investment Managers:** Mercury Capital Advisors may receive a placement fee from certain Investment Managers (or their affiliates) as a result of a Mercury iFund's investment in the Private Fund. The existence of such placement fee could create a potential conflict of interest. The prospect of receiving such compensation creates an incentive for Mercury Capital Advisors to place investors in a Mercury iFund that invests in Private Funds from which it receives a placement fee over Private Funds from which it does not receive a placement fee. Furthermore, certain management persons of Mercury Capital Access are also involved with soliciting Investment Managers to participate on the Mercury iFunds Platform™. Such relationship may create potential conflicts of interest. Mercury Capital Access addresses these conflicts by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each investor and by providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Mercury Capital Access' policies and procedures. Furthermore, compensation for management persons is not based on any transaction-based compensation received by Mercury Capital Advisors as a result of it acting as placement agent for any of the Private Funds.

**Privacy Policy:** Mercury Capital Access is committed to maintaining the confidentiality, integrity and security of our investors' personal information. It is Mercury Capital Access' policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. Mercury Capital Access does not disclose any non-public, personal information about our investors to anyone except for servicing and processing transactions and as required by law. Mercury Capital Access restricts access to non-public, personal information about our investors to those employees with a legitimate business need for the information. Mercury Capital Access maintains security practices, physical, electronic and procedural safeguards to guard each investor's non-public, personal information. Upon request, Mercury Capital Access will provide a copy of our written privacy policies and procedures.

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## **ITEM 12 – BROKERAGE PRACTICES**

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Mercury Capital Access implements investment strategies for both Separately Managed Accounts and iFunds by allocating assets to Private Funds that may be managed by Investment Managers. As such, with respect to the Separately Managed Accounts and Mercury iFunds, Mercury Capital Access will not make direct investments in securities listed on national exchanges. Mercury Capital Access has no control over the selection of brokers for individual pooled investment vehicles that it does not manage or advise.

Mercury Capital Access does not currently select or recommend either executing or clearing brokers and, therefore does not recommend brokers in return for client or investor referrals.

Certain of the Investment Managers to which a Mercury iFund or Separately Managed Account may allocate assets may have soft dollar arrangements for the Private Fund in which such Mercury iFund may invest. Any soft dollar arrangements entered into by an Investment Manager in the future are expected be in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended; however the Investment Managers will develop specific written policies and procedures at such time as it determines to enter into any soft dollar arrangements.

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## **ITEM 13 – REVIEW OF ACCOUNTS**

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The Mercury iFunds' performance and the performance of the Private Funds, as applicable, and the Private Funds' conformity with the investment objectives and guidelines are reviewed on a periodic basis by Mercury Capital Access, as well as Mercury Capital Advisors' due diligence and origination team.

Each investor in a Mercury iFund will receive quarterly statements detailing their account information including the account's beginning and ending equity, and the account's performance for that period. Mercury Capital Access may provide certain investors in a Mercury iFund access to more frequent and detailed information as determined by Mercury Capital Access.

Additionally, on an annual basis, investors also will receive copies of the audited financial statements, if applicable, prepared as of December 31 of each year in accordance with generally accepted accounting principles. Such annual audited financial statements will be distributed to investors within 180 days or 260 days, as the case may be, of the Mercury iFund's fiscal year end, in accordance with the requirements under Rule 206(4)-2 of the Advisers Act. For Mercury iFunds structured as TEF<sup>TM</sup>s, to the extent there is distributions to investors in a particular year, investors will receive a 1099 statement, as applicable.

Mercury Capital Access will review Separately Managed Accounts on no less than an annual basis.

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## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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Mercury Capital Advisors, an affiliate of Mercury Capital Access, acts as the broker-dealer for private placement of interests of the Mercury iFunds. Other than the manager fee described above, Mercury Capital Access does not receive or pay any placement fees. Any placement fees generated from an investment by a Mercury iFund in a Private Fund will be paid to Mercury Capital Advisors by the Investment Manager (or its affiliates).

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## **ITEM 15 – CUSTODY**

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Advisers with custody of client funds and securities must maintain them with “Qualified Custodians” unless such advisers have custody of only certain privately offered securities as defined in Rule 206(4)-2(b)(2) of the Advisers Act. “Qualified Custodians” under the amended rule include banks and savings associations and registered broker-dealers. However, advisers to funds-of-funds, which each of the Mercury iFunds is categorized as, comply with the custody rule by: (i) having each pool audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and (ii) distributing audited financial statements to all investors of each such Mercury iFund within 180 days or 260 days, as applicable, of the end of such Mercury iFund’s fiscal year.

With respect the TEF<sup>TM</sup>s, investors in a Mercury iFund structured as a TEF<sup>TM</sup> will receive quarterly account statements from the underlying insurance companies. Mercury Capital Access is subject to an annual surprise examination with respect to each Mercury iFund structured as a TEF<sup>TM</sup>.

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## **ITEM 16 – INVESTMENT DISCRETION**

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In general, the day to day discretionary trading over the Private Funds is the responsibility of the Investment Managers, and Mercury Capital Access has no role in terms of asset allocations or strategy. Mercury Capital Access will not recommend Investment Managers to investors. Mercury Capital Access’ authority is solely limited to determining the Private Funds in which a Mercury iFund will invest. Thereafter, each Mercury iFund is hard-wired to be invested into a Private Fund managed by an Investment Manager. Mercury Capital Access does not select a Private Fund to invest with or initiate any withdrawal from a Private Fund unless instructed to do so by a Mercury iFund investor. Mercury Capital Access’ authority is limited by its own internal policies and procedures, and each Mercury iFund’s investment guidelines and other terms contained within the governing documents.

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## **ITEM 17 – VOTING CLIENT SECURITIES**

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In respect of the Mercury iFunds, Mercury Capital Access does not anticipate owning any equity securities granting Mercury Capital Access the right to vote proxies. Investors in any Mercury iFund will not be members or limited partners of the underlying Private Funds and will have no voting rights in the Private Fund.



However, Mercury Capital Access has established a Proxy Voting Policy in the event that it is required to vote a proxy for certain investments. Upon request, Mercury Capital Access will provide an investor with a copy of its proxy voting policies and procedures and information on how the proxies were voted. Requests should be directed to: Jane Shahmanesh, Chief Compliance Officer, Mercury Capital Access LLC, 225 Liberty Street, 36<sup>th</sup> Floor, New York, NY 10281 (jshahmanesh@mcadv.com).

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## **ITEM 18 – FINANCIAL INFORMATION**

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Mercury Capital Access is not aware of any financial condition that is likely to impair its ability to meet contractual commitments to clients. Mercury Capital Access has not been the subject of a bankruptcy proceeding.