

PART 2A OF FORM ADV – FIRM BROCHURE

MGG INVESTMENT GROUP LP

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This brochure provides information about the qualifications and business practices of MGG Investment Group LP (“MGG” or “Adviser”). If you have any questions about the contents of this brochure, please contact us at 212-356-6100 or via email at info@mgginv.com. 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.

Additional information about MGG also is available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT MGG OR ANY PRINCIPALS OR EMPLOYEES OF MGG POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

ITEM 2 – MATERIAL CHANGES

There have been no material changes to MGG's Brochure since MGG last filed its annual Brochure update with the SEC on March 31, 2019. MGG urges current and prospective investors to review the Brochure in its entirety.

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ITEM 4 - ADVISORY BUSINESS

MGG Investment Group LP (“MGG”), a Delaware limited partnership, is a New York-based credit-focused asset manager firm that specializes in private credit investments primarily in lower middle to middle market companies. MGG commenced operations in 2014. Kevin Griffin has 100% control and management responsibility of MGG investment and non-investment decisions and operations. Kevin Griffin, together with Gregory Racz and Frank McCourt, indirectly through various entities, are entitled to receive the profits generated from the fees received by MGG and are the principal beneficial owners of MGG.

As of the date of this Brochure, MGG provides discretionary investment advisory services to various private investment funds (collectively, the “Funds”) (some of which are organized as master-feeder structures) and expects to provide discretionary investment advisory services to separately managed accounts and private investment funds formed for a single investor or group of affiliated investors (collectively, “Funds of One”). The Funds include, but are not limited to, MGG Specialty Finance Fund LP (and various related funds thereto that have been organized primarily to accommodate varied regulatory, tax, legal, risk, leverage, and other requirements and sensitivities and objectives of different investors), as well as various co-investment vehicles that MGG has organized to co-invest side-by-side with MGG’s primary Funds in specific portfolio companies. For a list of each of the Funds managed by MGG, please refer to the current version of MGG’s Form ADV Part 1A filing with the SEC, which is publicly available at: <https://adviserinfo.sec.gov/firm/summary/174126>.

Generally, a related person of MGG serves as the general partner of each Fund, and MGG serves as the investment adviser to the Funds. References to MGG in this Brochure include, as the context requires, any affiliates: (i) through which MGG provides investment advisory services to the Funds or (ii) that serve as general partners of the Funds.

MGG tailors its advisory services to the specific investment objectives and restrictions of the Funds. Investors and prospective investors in a Fund should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for such Fund (the “Governing Documents”) for more complete information on the investment objectives and investment restrictions with respect to the Fund. There is no assurance that any of the Funds’ investment objectives will be achieved.

The Funds are offered exclusively to accredited investors (as defined in Regulation D under the Securities Act of 1933, as amended) and/or qualified purchasers pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940 (as amended, the “Company Act”), and are therefore not required to register as investment companies under the Company Act in reliance upon certain exemptions available to private investment funds whose securities are not publicly offered.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis

under exemptions promulgated under the Securities Act of 1933 and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be “accredited investors” as defined in Regulation D, “qualified purchasers” as defined in the Investment Company Act, or non-“U.S. Persons” as defined in Regulation S. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

In accordance with common industry practice, the general partner of a Fund may enter into “side letters” or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally.

MGG does not participate in any wrap fee programs.

MGG currently manages all client assets on a discretionary basis in accordance with the terms and conditions of the Funds’ Governing Documents. As of December 31, 2019, the amount of assets MGG managed on a discretionary basis is \$2,374,012,619.

ITEM 5 - FEES AND COMPENSATION

MGG is compensated through the payment of management fees and performance based compensation by the Funds. MGG will receive an annual management fee (the “Management Fee”) from the Funds, or directly from the investors (as the case may be) as detailed below.

Subject to the specific terms set forth in the applicable Fund’s Governing Documents, the annual Management Fee payable by a Fund investor in quarterly installments is generally 1.5% of the investor’s invested capital in respect of such Fund. The foregoing Management Fee calculated with respect to the Fund investor is typically subject to reduction (i.e., offset) for certain amounts, including such investor’s pro rata share of: (i) 100% of certain types of portfolio company remuneration received by the Fund’s general partner and/or its related persons, including director fees, consulting fees, commitment fees, monitoring fees, success fees and break-up fees, if any; (ii) any placement fees paid or payable by the Fund (with the result that the placement fees are ultimately borne by MGG and/or its related persons); and (iii) organizational expenses paid or payable by the Fund, to the extent such expenses exceed a specified amount set forth in the Fund’s Governing Documents (with the result that such excess organizational expenses are ultimately borne by MGG and/or its related persons). MGG may waive or reduce the Management Fee with respect to any investor in the Fund, including their affiliates or employees. Management fees are paid by drawdowns of capital commitments from investors or offset against income generated from the investments.

Additionally, pursuant to a Fund's Governing Documents, the general partner of the Fund is entitled to receive a performance allocation ("Carried Interest"). The Carried Interest is generally equal to 15% of realized and unrealized gains. Carried Interest is distributed at the discretion of the general partner, pursuant to the terms of the Fund's Governing Documents. Carried interest is generally paid out of proceeds the Fund receives in respect of its portfolio investments, including interest and dividend payments and net proceeds from the sale of portfolio investments.

All investors and prospective investors should review the Governing Documents of the applicable Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to their investment or prospective investment in the Fund. In certain circumstances, the advisory fees payable to MGG may be negotiable. Investors and prospective investors in the Funds should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Co-Investor Management Fees

Under certain circumstances, MGG may also render advisory services to certain Funds organized to facilitate co-investments by third parties (including, but not limited to, existing Fund investors) in one or more of the same financing transactions engaged in by the primary Funds. The investors in these co-investment Funds will generally be charged an asset-based advisory fee (which may or may not be the same as that charged to investors in the Primary Funds), but typically will not be charged the same performance-based compensation (as described below) as investors in the primary Funds. Further, the asset-based advisory fees and other fees and expenses an investor in a co-investment Fund is obligated to pay is typically negotiated on a case-by-case basis and, as such, the asset-based advisory fees and other fee and expense payments MGG receives from investors in a co-investment Fund may vary from investor to investor.

Deduction of Fees; Timing of Payments; Termination

As a general matter, MGG is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of the applicable Fund pursuant to the terms of the Governing Documents. Advisory fee payments are generally made quarterly in advance and in accordance with the terms of such Governing Documents. Please refer to the applicable Fund's Governing Documents for more complete information on the timing of advisory fee payments.

MGG's investment advisory services may be terminated by a Fund at any time by prior written notice to MGG delivered within a reasonable period of time (typically 90 days) prior to such termination. Upon such termination, any prepaid, unearned fees will be promptly refunded by MGG (determined on a pro rata basis based on the number of days elapsed in the applicable fee payment period), and any earned, unpaid fees will be due and payable by the applicable Fund.

Other Fees and Expenses

In addition to the advisory fees and performance-based fees payable to MGG, subject to the terms of a Fund's Governing Documents, a Fund will typically incur operating and other expenses, including but not limited to expenses incurred in connection with pursuing investment opportunities and making, monitoring and disposing of investments (including broken-deal expenses); travel (including conferences, lodging and meals); audit, accounting, legal, brokerage, insurance, indemnification, litigation and custodian expenses; expenses relating to compliance with regulatory requirements applicable to the Fund; and taxes, fees and other governmental charges levied against the Fund or its subsidiaries.

Please refer to the applicable Fund's Governing Documents for a complete description of all fees and expenses bearable by such Fund.

As noted above, the Adviser will from time to time organize co-investment Funds to invest alongside the primary Fund(s) in specific Fund investments. The investors in such a co-investment Fund will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment Fund. A co-investment Fund will generally bear its pro rata portion of expenses incurred in the making of a co-investment. However, if a proposed co-investment transaction is not consummated, generally no co-investment Fund will have been formed, and, as such, the full amount of any expenses relating to such proposed but not consummated co-investment transaction will therefore be borne by the existing Funds selected by the Adviser as proposed investors for such proposed transaction. As a general matter, no prospective co-investor will bear the aforementioned broken-deal expenses until such person is contractually committed to invest in the prospective co-investment.

Expenses incurred for the sole benefit of one particular Fund are charged to the relevant Fund. Expenses incurred for the benefit of multiple Funds are allocated to such Clients based upon a reasonable and fair allocation methodology. Generally, certain expenses may be allocated between Funds on a pro rata basis while others may be allocated more specifically as determined by the benefits received by each Fund. In determining these specific allocation methodologies, factors such as the Funds' portfolio holdings, scope of service, time frame of service, and benefit/utilization on a Fund-by-Fund basis are considered.

Airline travel or hotel stays incurred as Fund or account expenses often result in "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to MGG and/or such personnel (and not the Funds) even though the cost of the underlying service is borne by the Funds.

The section titled "*Brokerage Practices*" describes the factors MGG considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Transaction-Based Compensation

Neither MGG nor any supervised person of MGG receives any compensation as broker or agent for the sale of interests in any Fund or the sale of securities or other investment products to any Fund. Please refer to the subsection titled “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that MGG may receive from time to time with respect to investments by the Fund.

Investors and prospective investors should carefully review the offering documents of the applicable Fund and the governing documents of such Fund or further information about the fees charged to the Fund’s investors. Such documents are available only to current investors or prospective investors who are eligible to invest in the applicable Fund , as determined in the sole discretion of MGG.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The possibility that MGG or a general partner may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for MGG to make investments that are riskier or more speculative than in the absence of such performance-based fees.

Investors are provided with clear disclosure in each Fund's Governing Documents as to how performance-based compensation is charged with respect to the Fund, and the risks associated with such performance-based compensation, prior to making capital commitments to a Fund.

MGG does not allocate investment opportunities based on the performance-based (or other type of) fees it is entitled to receive from one Client versus another Client. It is the policy of MGG to allocate investment opportunities to Clients on a fair and equitable basis, to the extent practicable and in accordance with Clients' applicable investment strategies. Investment opportunities will generally be allocated among those Clients for which participation in the respective opportunity is considered permissible and appropriate (such Client accounts, "Eligible Accounts"), taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with a Client's objectives; (ii) the potential for the proposed investment to create an imbalance in a Client's portfolio; (iii) the liquidity requirements of a Client; (iv) potentially adverse tax consequences; (v) regulatory restrictions that would or could limit a Client's ability to participate in a proposed investment; (vi) leverage considerations and (vii) the need to re-size risk in a Client's portfolio.

When MGG encounters an investment opportunity that is permissible and appropriate for more than one Client account (such Client account, an "Eligible Account"), MGG will allocate the investment opportunity on a fair and equitable basis. In such a situation, the investment opportunity will generally be allocated to the Eligible Accounts *pro rata* based on their respective available investment capital.

Notwithstanding the foregoing, allocations of investment opportunities may be made on a basis other than *pro rata* for a number of reasons, and the determination may be based on factors that include, but are not limited to: (i) an Eligible Account's investment guidelines, goals, and parameters, restrictions, current portfolio, liquidity requirements, and/or capacity; (ii) the current investment pipeline and the expected yield of an investment or investments; (iii) clearing, credit, and trading line considerations, including leverage considerations; (iv) tax, regulatory, ERISA, or legal considerations; (v) the current market environment; (vi) to avoid odd lots, enhance diversification, minimize concentration, or enhance terms to parties, and/or (vii) whether or not an Eligible Account is in ramp-up, start-up period or wind-down or liquidation.

MGG is not obligated to purchase or sell for a Client account every investment which MGG or its employees may purchase or sell for any other Client account(s), if such a transaction

or investment appears unsuitable, impracticable or undesirable for the Client account; *provided*, that MGG, to the extent within its control, may not favor itself in any way to a Client account's detriment and will act in a manner that, over the long term, is fair and equitable to all its Clients.

To the extent an investment opportunity is a follow-on investment to a pre-existing investment, MGG may first allocate such follow-on investment to such Eligible Accounts holding such pre-existing investment based on their respective Available Investment Capital.

Additionally, as noted in Item 5, MGG or the applicable GP may elect to waive or reduce the management fees, performance-based compensation and/or other fees for any investor, including investors that are affiliates and/or related persons of MGG.

ITEM 7 - TYPES OF CLIENTS

As of the date of this Brochure, MGG provides investment advice to the Funds and expects to provide investment advice to Funds of One, as described above.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategies

As discussed under “Advisory Business” above, the Funds’ primary investment strategy is to provide financing to lower middle to middle market companies. MGG’s clients invest primarily in privately sourced and negotiated senior secured credit instruments that MGG believes provide its clients with an attractive yield, while also seeking to generate additional upside for its clients when possible through other fees or equity participations in the target company. MGG’s investments may include various types of credit structures, such as senior secured loans, bridge loans, convertible loans, unitranche loans, subordinate loans, specialty loans and debtor-in-possession financings, or non-control equity stakes.

MGG clients are generally expected to extend credit primarily on a senior secured basis, and MGG generally attempts to mitigate the risk associated with these transactions by, among other ways, selecting borrowers with sufficient cash flows, insisting on strong financial and other covenants in loan documentation and by perfecting security interests against all available assets of each target company. MGG’s strategy generally involves credit transactions identified by MGG, but in certain circumstances, its clients may also acquire or participate in loans originated by others. MGG may also invest in stand-alone equity investments on behalf of its clients.

Covenants are an important part of MGG’s investment strategy. Breach of a covenant is not necessarily material to a given loan and not necessarily material to the Funds’ portfolio as a whole. MGG discloses material developments with respect to the Fund’s portfolio and such developments are reflected within the Fund’s valuation. MGG does not report to investors every covenant breach, but this type of information is available for any investor to review, upon request.

Disciplined Investment Process. MGG seeks complex and special situations that deter other lenders and that reduce the availability of other sources of financing. MGG typically selects target companies that satisfy certain criteria determined by MGG. These criteria may include:

- Seasoned management teams
- Companies with a reason to exist and/or in defensive industries
- Healthy cash flows and strong enterprise value
- Appropriate capital structures
- Strong downside structural protections (e.g., asset coverage, amortizing loans, robust covenants, excess cash flow sweeps)
- Ability to monitor loans post-close, including via access to management and reporting requirements

MGG looks for investments that MGG originates and where it leads or co-leads proprietary diligence using best-in-class audit, industry and legal experts.

A Fund's investment strategy will be differentiated by the following attributes:

Sourcing: MGG seeks to originate or co-lead most transactions. This original sourcing-focused approach helps to provide greater control and deeper access to information and enhances MGG's ability to layer in many levels of risk management into its investment process. To source differentiated investment opportunities, MGG employs a bottom-up company-by-company evaluation. As part of its approach, MGG maintains close relationships with, and may receive information about prospective investment opportunities from, a diverse multi-channel sourcing network. MGG also uses its network of relationships to gain market insights and to obtain knowledge about industry niches and specific companies within those niches.

Focused Triage. Once sourced, potential investment opportunities are reviewed by MGG's investment team generally on a weekly basis. MGG assesses each investment opportunity in relation to the portfolio construction of its clients and seeks to ensure that the transaction size and industry exposure fits within such client's investment strategy and targeted allocations, as applicable. As part of this early read and focused triage, MGG typically "desk kills" most opportunities (generally due to poor company fundamentals, concern about the industry, poor structure or weak pricing) or elects to monitor an opportunity before deciding whether or not to pursue it further. For approximately 20% of sourced opportunities, MGG decides to create a two-page summary of such opportunity and actively seek additional information.

Preliminary Analysis. The investment team meets periodically to discuss all outstanding opportunities and to evaluate prospective courses of action in pursuit of an opportunity. MGG's process is geared to identify and focus on opportunities where its competences, coupled with the situation facing a target company, can be expected to create above-market risk-adjusted returns. When MGG identifies a prospective investment, it conducts an initial company, industry, business, financial and asset evaluation by utilizing a combination of MGG's own proprietary processes, public filings and industry research.

Deep Diligence; Transaction Structuring; Investment Approval: After its preliminary analysis, to the extent MGG concludes that an investment may, pending further diligence, result in superior risk-adjusted returns, then the investment team prepares a proprietary financial model and conducts deep, PE-style due diligence and credit analysis. As part of its process, MGG's deal team memorializes its diligence in a lengthy investment memorandum, which is revised periodically during the assessment of an investment opportunity.

During its in-depth diligence process, MGG engages directly with the target company management for weeks if not months and also generally speaks with the target company's current investors, customers, suppliers, competitors and/or other related parties. At the same time, MGG and also any third parties assisting MGG in its diligence focus on

ongoing collateral, operational and financial monitoring, which is important to managing risk over the life of an investment. Third-party due diligence is used to supplement and verify MGG's in-house due diligence and to help identify and assess red flags and fraud risk. MGG generally engages nationally recognized forensic accountants, attorneys and industry consultants to assist in diligence, and runs background checks on key target company personnel.

Concurrent with its diligence, MGG seeks to structure transactions to minimize risk and maximize risk-adjusted returns. MGG typically establishes the structure, covenants, reporting and examination requirements so that MGG can real-time post-investment continually gauge the financial health and operating performance of the target company.

Portfolio Management. Once Investment Committee approval has been received and the transaction documents are fully negotiated and executed, MGG funds and completes the portfolio investment. MGG monitors each investment closely. MGG's investment team meets weekly to discuss every investment in the portfolio. MGG also typically requires that MGG receive privileged access to management, monthly reporting packs, and borrower adherence to tight financial and other covenants as discussed above. This permits MGG to obtain early warning signs of any weakness or other issues in company performance.

Investors and prospective investors should carefully review the offering documents of the applicable Fund for further discussion of its investment objective and strategy. Such documents are available only to current investors or prospective investors who are eligible to invest in the applicable Fund, as determined in the sole discretion of MGG.

Risk Factors

Prospective investors should carefully consider the risks involved in an investment in a Fund, including, without limitation, those discussed below. Additional or new risks not addressed below may affect the Funds. The following list of risk factors cannot be and is not intended to be exhaustive. Prospective investors should consult their own legal, tax and financial advisers about the risks of an investment in a Fund. The following risk factors and other relevant risks could have a material adverse effect on a Fund and the limited partners' investments therein. Capitalized terms not defined herein shall have the meaning given them in the Governing Document of the applicable Fund.

- 1. Effect of Substantial Losses.** If, due to extraordinary market conditions or other reasons, a Fund were to incur substantial losses, the revenues of MGG may decline substantially. Such losses may hamper MGG's ability to (i) retain employees, (ii) provide the same level of service to such Fund as it has in the past, and (iii) continue operations.
- 2. Limited Liquidity of Interests.** The Funds are intended for long-term investors who can accept the risks associated with investing primarily in securities that involve a

high degree of financial risk and are potentially illiquid. There is no public market for the Funds' interests, and no such market is expected to develop in the future. Except as otherwise permitted by the Funds' governing documents, limited partners typically have no right to withdraw from the Funds. Limited partners generally may not sell, transfer, exchange, assign, pledge, hypothecate or otherwise dispose of their Fund interests (or any portion thereof) without the consent of the General Partner, which consent may be withheld for any reason or no reason in the General Partner's sole discretion.

3. Valuation of Assets and Liabilities. The Funds' assets and liabilities are valued in accordance with MGG's valuation policies and procedures ("Valuation Policy"). The valuation of any asset or liability involves inherent uncertainty. The value of a security determined in accordance with the Valuation Policy may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the Fund if the judgments of MGG regarding the appropriate valuation should prove to be incorrect.

4. Counterparty Risk. The Funds expect to establish relationships to obtain financing and other services. However, there can be no assurance that the Funds will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Funds' trading activities, create losses, preclude the Funds from engaging in certain transactions or prevent the Funds from trading at optimal rates and terms. Moreover, a disruption in the services provided by any such relationships could have a significant impact on a Fund's business due to such Fund's reliance on such counterparties.

5. Risk of Loss. No guarantee or representation is made that a Fund's investment program, including, without limitation, such Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

6. General Economic and Market Conditions. The success of a Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of such Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the amount of attractive opportunities and level and volatility of the prices and the liquidity and performance of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses.

7. Trade Wars. The Funds' investments are subject to risks arising from trade policies and practices adopted by the U.S. and other jurisdictions, including the adoption or expansion of trade restrictions and the imposition of tariffs on goods being imported into these jurisdictions. Such policies and practices, and any changes in these policies and practices, may adversely impact relationships among trading partners and/or trigger

retaliatory actions by affected countries, resulting in “trade wars.” “Trade wars” may lead to reduced global economic activity, increased costs, reduced demand and changes in purchasing behaviors for affected goods, limits on trade with certain jurisdictions or other potentially adverse economic outcomes. Such trade policies and practices, and any resulting consequences, may adversely impact the performance of the Funds’ investments.

8. General Credit Risks. Although the Funds intend primarily to make loans and invest in other debt instruments or obligations secured by collateral, the Funds may be exposed to losses resulting from default and foreclosure of any such loans or interests in loans in which it has invested. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of the Funds’ investments. No guarantee can be made regarding the adequacy of the protection of the Funds’ security in the loans or other debt instruments in which it invests. Moreover, in the event of foreclosure, the Funds or an affiliate thereof may assume direct ownership of any assets collateralizing such foreclosed loans. The liquidation proceeds upon the sale of such assets may not satisfy the entire outstanding balance of principal and interest on such foreclosed loans, resulting in a loss to the Funds. Any costs or delays involved in the effectuation of loan foreclosures or liquidation of the assets collateralizing such foreclosed loans will further reduce proceeds associated therewith and, consequently, increase possible losses to the Funds. In addition, no assurances can be made that borrowers or third parties will not assert claims in connection with foreclosure proceedings or otherwise, or that such claims will not interfere with the enforcement of the Funds’ respective rights.

9. Investments in Private Middle-Market Companies. In addition to limited liquidity, investments in loans issued to, and debt instruments of, private middle-market companies may involve a number of additional risks. Generally, little public information exists about such companies, and the Funds will rely on the ability of MGG to obtain adequate information to evaluate the potential returns from investing in such loans or debt instruments. If the Funds are unable to uncover all material information about such companies, they may not make a fully-informed investment decision, and may lose money. Private middle-market companies typically have shorter operating histories, less predictable operating results, narrower product lines, and smaller market shares than larger businesses, which characteristics tend to render them more vulnerable to competitors’ actions and market conditions, as well as general economic downturns. Private middle-market companies are also more likely to depend on the management talents and efforts of a small group of persons, the loss of which could have a material adverse impact. In addition, private middle-market companies may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. As a consequence, certain loans invested in by the Funds could be or become nonperforming loans and borrowers could default with respect to such loans.

10. Ability to Lend on Advantageous Terms; Competition and Supply. The Funds originate loans. Success in this area will depend in part on the ability of the Funds to originate and obtain loans on advantageous terms. In making loans, the Funds will compete

with a broad spectrum of lenders, some of which may be willing to lend money on terms more favorable to borrowers. Such competing lenders may include private investment fund, public funds, commercial and investment banks, commercial financing companies and other entities. Some competitors may have a lower cost of fund and access to funding sources that are not available to the Funds. In addition, some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Funds. The Funds may also choose not to compete for investment opportunities based on interest rates. Ultimately, increased competition for, or a diminution in the available supply of, qualifying borrowers may result in lower yields on loans to such borrowers, which could reduce returns to the Funds.

11. Leverage and Borrowing.

Leverage for Investment Purposes. The use of leverage will allow the Funds to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Funds' respective portfolios. The effect of the use of leverage by the Funds in a market that moves adversely to its investments or where certain investments perform poorly could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged.

Borrowing for Cash Management Purposes. The Funds have the authority to borrow for cash management purposes. The rates at and terms on which the Funds can borrow will affect the operating results of the Funds.

Collateral. The instruments and borrowings utilized by a Fund to leverage investments may be collateralized by all or a portion of the Fund's portfolio. Accordingly, the Funds may pledge their securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure a Fund's margin accounts decline in value, such Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional Fund or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Funds in certain circumstances can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Funds may have similar rights. There can be no assurance that the Funds will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on a Fund's portfolio.

Differing Use of Leverage. Certain Funds with investment objectives, programs or strategies that are similar to those of other Funds may use leverage as an integral part of their investment strategy, to purchase investments that are the same or similar. Dispositions of

certain investments in such Funds employing leverage as an integral part of their investment strategy may affect the value of such investments also held by Funds which do not, or MGG's decision with respect to the disposition of such investments also held by Funds which do not use leverage as an integral part of their investment strategy.

12. Diversification and Concentration. MGG may select investments that are concentrated in a limited number or types of securities. In addition, a Fund's portfolio may become significantly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose such Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

13. Loans and Participations. A Fund's investment program may include investments in loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; (iv) limitations on the ability of such Fund to directly enforce its rights with respect to participations; and (v) possible claims for the return of some or all payments in a debt made within 90 days (and in some cases, within one year) of the date of the issuer's/borrower's insolvency came under Title 11 of the United States Code (the "US Code") and under certain state laws. In analyzing each loan or participation, MGG compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the applicable Fund.

Although the Funds intend to originate loans, they may also invest in loans through the secondary markets. As secondary market trading volumes increase, new loans are frequently adopting standardized documentation to facilitate loan trading, which may improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to other markets.

14. Priority of Debt Instruments and Loans. The Funds may invest in secured debt issued by companies that have or may incur additional debt that is senior to the secured debt owned by the Funds. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of any such company, the owners of senior secured debt (i.e., the owners of first priority liens) generally will be entitled to receive proceeds from any realization of the secured collateral until they have been reimbursed. At such time, the owners of junior secured debt (including, in certain circumstances, the applicable Fund) will be entitled to receive proceeds from the realization of the collateral securing such debt. There can be no assurances that the proceeds, if any, from the sale of such collateral would

be sufficient to satisfy the loan obligations secured by subordinate debt instruments. To the extent that a Fund owns secured debt that is junior to other secured debt, such Fund may lose the value of its entire investment in such secured debt.

15. Participation and other Indirect Economic Interests. A portion of the assets of the Funds may consist of participation interests or other indirect economic interests in loans or other debt obligations. In such circumstances, the Funds will not directly own the debt obligations underlying such participation or other economic interests and/or have custody thereof. As a result, the Funds will be exposed to the risk that the assets of the holder/custodian of any such underlying debt obligation may be subject to the claims of third-party creditors or other parties. In addition, as an owner of participation interests or other indirect economic interests (including as a member of a loan syndicate), the Funds may not be able to assert any rights against borrowers of the underlying indebtedness, and may need to rely on the holder/custodian (or other financial institution) issuing the participation interests or such other entity charged with the responsibility for asserting such rights, if any. Such holders/custodians and financial institutions or other entities may have reasons not to assert their rights, whether due to a limited financial interest in the outcome, other relationships with the underlying defaulting borrowers, the threat of potential counterclaims or other reasons, that may differ from the interests of the Funds. The failure of such holders/custodians and financial institutions or other entities to assert their rights (on behalf of the Funds) or the insolvency of such entities could materially adversely affect the value of the assets of the Funds.

16. Syndication and/or Transfer of Debt Instruments. The Funds originate secured debt obligations. The Funds may in some instances originate such secured debt obligations with the intent of syndicating and/or otherwise transferring a significant portion thereof. In such instances, the Funds will bear the risk of any decline in value prior to such syndication and/or other transfer. In addition, the Funds will also bear the risk of any inability to syndicate or otherwise transfer such secured debt obligations or such amount thereof as originally intended, which could result in the Funds owning a greater interest therein than anticipated.

17. Distressed Borrowers. The Funds may invest in loans and debt instruments of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns to the Funds, they involve a substantial degree of risk. Distressed borrowers may be less likely to meet their obligations in connection with such loans or debt instruments, and the inability to meet such obligations may result in certain loans of the Fund becoming nonperforming. The level of legal and financial sophistication necessary for successful investment in the loans issued to, or the debt instruments of, companies experiencing significant business and financial difficulties is unusually high. There is no assurance that MGG will correctly evaluate the value of the assets collateralizing the loans invested in by the Fund or the prospects for a successful reorganization or similar action, if any, or the general performance of such loans. In addition, to the extent that the Funds invests in loans or debt instruments with respect to

companies that subsequently undergo bankruptcy or similar liquidation proceedings, such investments may be subject to additional risks.

18. Lender Liability. The Funds may incur liability as a result of its lending activities or the lending activities of the sellers that have originated the loans. In past years, a number of judicial decisions have upheld the right of borrowers to sue on the basis of various evolving legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower, its other creditors or shareholders, or third parties harmed by the borrower. Even if a Fund purchases its loans in the ordinary course of its investment activities, such Fund may be subject to allegations of lender liability by reason of the actions of the sellers that originated those loans. MGG cannot assure investors that these claims will not arise, or that the Funds will not be subject to significant liability if a claim of this type were to arise.

19. Co-Investments with Third Parties. The Funds may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Fund or is in a position to take (or block) action in a manner contrary to the Funds’ respective investment objectives. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

20. Cybersecurity. MGG, the Funds and each Fund’s portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of MGG and each Fund’s portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, MGG, a Fund and/or a portfolio company may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the fund’s investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in MGG’s, the Funds’ and/or a portfolio company’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm MGG’s, the Funds’ or a portfolio company’s reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

21. Discontinuation of LIBOR. It is expected that the London Interbank Offered Rate (“LIBOR”), which is commonly used as a reference rate within various financial contracts (any such rate, a “Reference Rate”), will not be published after the year 2021. In anticipation of the end of LIBOR, the United States and other countries are currently working to replace LIBOR with alternative Reference Rates. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which a Fund is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including a Fund and its counterparties. With respect to financial contracts to which a Fund is a party, including corporate loans and floating rate debt, any such contract that has a maturity that extends beyond 2021 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or other curative mechanisms) may need to be renegotiated, the process of which will consume resources of a Fund and may result in disputes among counterparties, the result of which may be adverse to the Fund. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which a Fund is a party may adversely affect the performance of the Fund.

22. Assumption of Catastrophe Risks. The Funds may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; terrorism; and public health crises, including the occurrence of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which MGG participates (or has a material effect on locations in which MGG operates), the risks of loss can be substantial and could have a material adverse effect on the Funds.

23. Coronavirus Risks. In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which has resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China and South Korea, among other affected countries. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain. As of March 2020, COVID-19 has spread across the world, which may result in additional market disruptions. The extent to which COVID-19 may negatively affect the operations of MGG and the performance of the Funds is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds.

24. Mezzanine Debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of the Funds to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the insolvency of a portfolio company of the Funds or similar event, the Funds' debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

25. Second Lien Loans. The Funds may invest in loans that are secured by a second lien on assets. Second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy that can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products. Beginning in August 2007, the market for many loan products, including second lien loans, contracted significantly which made virtually all leveraged loan products, particularly second lien loan products, less liquid or illiquid. Many participants ceased underwriting and purchasing certain second lien loan products. There can be no assurance that the market for second lien loans will not contract further.

26. Bridge Loans. It is a common practice for financial institutions to commit to providing bridge loans to facilitate investments where they serve as advisers to the purchaser. Bridge loans are frequently made because, for timing or market reasons, longer-term financing is not available at the time the funds are needed, which is often at the time of the closing of an acquisition. In the past, these commitments were not frequently drawn upon due to the availability of other sources of financing; however, due to market conditions affecting the availability of these other sources of financing (principally high-yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities. Borrower and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer term loan. If bridge loans are not repaid (or cannot be disposed of on favorable terms) on the dates projected by MGG, there may be an adverse effect upon the ability of

MGG to manage the assets of a Fund in accordance with MGG's models and projections, or upon such Fund's performance and ability to make distributions.

27. Unrated or Below Investment Grade Loans and Debt Instruments. The Funds may invest in debt securities of companies unrated or below investment grade. Such debt instruments may have speculative characteristics. The market values of certain of these lower-rated and unrated loans and debt instruments tend to reflect individual corporate developments and changes in economic conditions to a greater extent than do higher-rated debt instruments. As a result, the market prices of such loans and debt instruments may be subject to abrupt and erratic movements in price and liquidity. Borrowers that are the subject of such loans and that issue such debt instruments are often highly leveraged and may not have available to them more traditional methods of financing. Fluctuations in market value of certain of these instruments may impact the Funds' ability to utilize leverage.

28. Preferred Stock. Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

29. Equity and Equity-Linked Securities. In connection with a Fund's investment in loans, and incidental to such Fund's primary investment strategy, a Fund may receive and ultimately will sell equity and equity-linked securities. Such acquisitions may include, without limitation, warrants, publicly traded equity, privately placed equity that is subject to restrictions on transfer, debt that can be converted into equity based on certain conditions, and preferred equity. The value of equity and equity-linked securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, a Fund may suffer losses if the return on securities it owns diverges from MGG's expectations or if markets generally move in a single direction and a Fund has not properly hedged against such a general move. In addition, by holding privately-placed securities, a Fund is exposed to risks that issuers will not fulfill their contractual obligations to such Fund, such as delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

30. Convertible Securities. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, such Fund will be required to permit the issuer to redeem the security, convert it into the underlying

common stock or sell it to a third party. Any of these actions could have an adverse effect on such Fund's ability to achieve its investment objective.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with MGG's investment program or an investment in any Fund. The risks mentioned in the foregoing list, as well as additional or new risks, may affect a Fund of One. Prospective clients and investors must consult their own advisers before deciding whether to make such an investment. Investors and prospective investors should carefully review the sections on Risk Factors of the offering documents of the applicable Fund. Such documents are available only to current investors or prospective investors who are eligible to invest in such Fund, as determined in the sole discretion of MGG.

ITEM 9 - DISCIPLINARY INFORMATION

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

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered Broker-Dealers

None of MGG or its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, MGG and its management persons are not affiliated with any broker-dealer, bank or other financial services firm.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of MGG or any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

As discussed in the subsection titled “*Participation or Interest in Client Transactions and Personal Trading*,” MGG and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of the general partner of each Fund. MGG and its related persons manage multiple Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the Funds. Please refer to the Governing Documents of the applicable Fund for complete information on the requisite time commitments (if any) of MGG and its related persons to such Fund and the allocation of investment opportunities to the Fund. Please also refer to the description of MGG’s investment allocation policy described in the subsection “*Side-by-Side Management*” above.

Employees of MGG and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. The foregoing individuals may spend a substantial portion of their time with these Fund-related management activities. Employees of MGG may also from time to time serve on the board of directors of a portfolio company, or be given access for other reasons to confidential information relating to companies in which the Funds invest and/or be subject to legal or contractual restrictions on their ability to effect transactions for the Funds. As a result, the Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies, which prohibition may have an adverse effect on the Funds.

Selection or Recommendation of Other Advisers

MGG neither recommends or select other investment advisers for its clients nor receives compensation from such advisers in a manner that would create a material conflict of interest. MGG does not have other business relationships with other advisers that create a material conflict of interest.

Other Activities of MGG and its Affiliates

MGG and its respective affiliates may encounter potential conflicts of interest in connection with the Funds' interests, assets or activities (including certain conflicts of interest as among the interests of different Funds). If any matter arises that MGG determines in its good faith judgment constitutes an actual conflict of interest, MGG will take such actions as may be necessary or appropriate to ameliorate the conflict.

Conflicts of interest may arise from the fact that MGG, the General Partner and their affiliates: (i) provide investment management services to multiple Funds and (ii) may in the future provide investment management services to clients other than the Funds, including, without limitation, Funds of One, proprietary accounts and other investment accounts (such non-Fund clients, together with the Funds, the "Clients" and each, a "Client"). A Fund will not typically have an interest in any non-Fund Client.

A Client may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of one or more other Clients, or may compete with or have interests adverse to one or more other Clients. Such conflicts could affect the prices and availability of securities in which a Client invests. Even if a Client has investment objectives, programs or strategies that are similar to those of one or more other Clients, MGG may give advice or take action with respect to the investments held by, and transactions of, one Client that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, one or more other Clients for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the one Client versus another Client. As a result, one Client may have substantially different portfolios and investment returns relative to another Client. Conflicts of interest may also arise when MGG makes decisions on behalf of a Client with respect to matters where the interests of MGG or one or more other Clients differs from the interests of such Client.

A Client with investment objectives, programs, strategies and positions that are similar to those of one or more other Clients could result in significant overlapping positions among such Clients. In addition, such other Clients may have different or additional terms, including different fees, information rights and liquidity rights (including the right to wind down and terminate a Fund of One without cause). Additional information may affect an investor's decision to invest additional capital in, to remain invested in, to withdraw from or to terminate a Client. Any such withdrawals or terminations could cause any such Client to liquidate its positions ahead of another Client. Similarly, to the extent that the a Client establishes classes of interests with different liquidity rights, certain investors may be able to act on information before any investor in a different class that has less frequent liquidity rights.

MGG, its affiliates and personnel will devote as much of their time to the activities of a Fund or other type of Client as they deem necessary and appropriate. Subject to the terms set forth in the relevant Governing Documents, MGG, its affiliates and personnel will not be restricted from raising successor Funds, from entering into investment advisory

relationships with other types of Clients (such as Funds of One) or from engaging in other business activities, even if such activities may be in competition with a Fund and/or may involve substantial time and resources of MGG, its affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of MGG, its affiliates and personnel will not be devoted exclusively to the business of any one Fund but will be allocated between the business of such Fund and other Clients and businesses.

MGG and its affiliates may, from time to time, offer one or more investors and/or other third-party investors the opportunity to co-invest with a Fund in particular investments. MGG and its affiliates are not obligated to arrange co-investment opportunities, and no investor will be obligated to participate in such an opportunity. MGG and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular investment and may allocate co-investment opportunities to investors in the Funds or to third parties. If MGG determines that an investment opportunity is too large for the Funds, MGG and its affiliates may, but will not be obligated to, make proprietary investments therein. MGG or its affiliates may receive fees and/or allocations from co-investors, which may differ as among co-investors and also may differ from the fees and/or allocations borne by the Funds.

Principals and employees of MGG may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio company and its shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual's duties as an employee or principal of MGG and such individual's duties as a director of such portfolio company.

Joint venture investments by a Fund may under certain circumstances involve risks not otherwise present, including the possibility that the co-venturer might become bankrupt, that such co-venturer might at any time have economic or other business interests or goals which are inconsistent with the business interests or goals of the Fund, and that such co-venturer may be in a position to take action contrary to the instructions or the requests of the Fund or contrary to the Fund's policies and objectives. Such investments may also have the potential risk of an impasse on decisions because neither co-venturer may have full control over the joint venture. To the extent a dispute arises between affiliates of MGG, on the one hand, and such joint venture partners, on the other hand, the affected Fund's separate investments with such joint venture partners may also be adversely affected.

Investors may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the structure, timing or manner of disposition of investments. As a consequence, decisions made by MGG, including with respect to the nature or structuring of investments or dispositions, may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting

and structuring investments appropriate for the Funds, MGG will consider the investment and tax objectives of each Fund as a whole, not the investment, tax or other objectives of any investor individually.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

MGG has adopted a Code of Ethics (the “Code”) under Rule 204A-1 of the Advisers Act expressing MGG’s commitment to ethical conduct. MGG’s Code describes its fiduciary duties and responsibilities to its clients, and sets forth MGG’s policies on, among other things (i) receipt of gifts and entertainment by employees, (ii) political campaign contributions, (iii) outside business activities and (iv) the personal trading activities of supervised persons with access to client investment recommendations. Under MGG’s Code, all supervised personnel have a duty to act only in the best interests of the Fund and all potential conflicts and violations of the Code must be promptly reported to MGG’s Chief Compliance Officer (“CCO”). All supervised personnel must acknowledge the terms of the Code annually, or as amended. It is the expressed policy of MGG that no person employed by MGG shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code, MGG requires each supervised person who has access to non-public information regarding clients’ securities transactions, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are non-public (collectively “Access Persons”) to provide annual securities holdings reports and quarterly brokerage statements (or equivalent quarterly transaction reports) to the CCO. MGG requires such Access Persons to also receive written approval from the CCO prior to investing in any initial public offerings and private placements.

In an effort to prevent inappropriate securities transactions by MGG’s personnel, the CCO will maintain and make available a list of restricted securities. The restricted securities list will be updated periodically and will include securities about which any access person is in possession of, or knows, material nonpublic information. Access persons are strictly prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

MGG requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. MGG’s Code also includes the firm’s policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

The Code of MGG places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to MGG on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, MGG’s employees may not invest in the same financial instruments as the Funds. MGG will provide a complete copy of its Code to any client or prospective client upon request.

Participation or Interest in Client Transactions

As general partners, limited partners or managing members of the general partner of the Funds, MGG and its related persons have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by the Funds' respective investments. In certain situations, related persons of MGG may purchase interests in portfolio investments held by one or more Fund. All such purchases are subject to compliance with MGG's Code as described above. Before MGG makes a recommendation that a Fund buy or sell interests in a portfolio company, all Access Persons that have direct ownership of such issuer at the time of such recommendation are required to disclose such interest to MGG and will not be permitted to participate in the discussions or authorizations to recommend that the Fund buy or sell the securities of such issuer. An Access Person shall not be so restricted if such person's only interest in a portfolio company is (i) indirectly held through one of the general partner entities, a Fund or otherwise or (ii) related to service as a director or advisor of a portfolio company to facilitate MGG's ability to monitor the investment in such portfolio company.

Further, as noted in Item 6, the possibility that the MGG or its related persons could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for MGG to make more speculative investments than it might otherwise make. However, MGG believes that these financial interests align MGG's and its related persons interests and incentives with those other investors in the Funds. Nevertheless, as noted in Item 6 above, MGG has adopted investment allocation policies and procedures designed so that MGG allocates investment opportunities to its Clients in a fair and equitable manner, to the extent practicable and over a period of time, without taking into account whether one Client pays MGG higher performance-based (or other) fees than another Client.

Cross Trades/Principal Transactions

A principal trade is a transaction between MGG or an affiliate thereof and a client account. Pursuant to Section 206(3) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), any principal trade must be disclosed to, and requires the consent of, the Fund or other Client that is opposite MGG or its principals or affiliates in such principal trade. Principal trades create a potential conflict of interest between the duties of MGG and/or its principals and affiliates to MGG's Clients and their desire to maximize their own profits or obtain other benefits with respect to their proprietary trading activities. As of the date of this Brochure, MGG has not engaged in any principal trades. No Fund constitutes a principal account for the purposes of Section 206(3) of the Advisers Act, and MGG has not engaged in any principal transactions.

MGG may also effect cross trades between Clients where it determines that such trades are in the interest of both Clients. MGG and/or its affiliates may have a potential conflict of interest when engaging in cross trades on behalf of its Clients, as they may have financial incentives (such as the receipt of higher management fees or fees related to the purchase

or sale transaction) to engage in such transactions and/or to favor certain Client accounts over others.

MGG seeks to mitigate any conflicts of interest in connection with cross trades. The loans negotiated by MGG are bespoke and not the type that are readily available in the marketplace with third party quotes. As such, in consultation with its outside counsel and advisors, MGG has put in place and relies on a robust valuation process to confirm that the terms of cross transactions are no less favorable to its Clients than those that could be obtained from unaffiliated third parties in arm's length transactions, including the involvement in such valuation process of both an independent third party member of MGG's Valuation & Risk Committee, and the engagement of nationally recognized independent third party valuation firms. Additionally, prior to each cross trade, MGG considers whether any material event has occurred since the most recent valuation date that would require a change in the applicable valuation.

The Code of MGG places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to MGG on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, MGG's employees may not invest in the same financial instruments as the Funds.

Other Conflicts of Interest

Allocations of Trades and Investment Opportunities

It is the policy of MGG to allocate investment opportunities to Clients on a fair and equitable basis, as further described in Item 6 above.

MGG will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, a Client account solely because MGG purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, another Client account if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Client account that will not participate in such investment opportunity.

Co-Investments

MGG and its affiliates may, from time to time, offer one or more existing Fund investors and/or other third-parties the opportunity to co-invest with a Fund in particular investments. MGG and its affiliates are not obligated to arrange co-investment opportunities, and no existing Fund investor will be obligated to participate in such an opportunity (or have the right to do so absent a contractual (e.g., side letter) right to the contrary). Absent a contractual right granted to an existing Fund investor to the contrary, MGG and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular existing Fund investor and may allocate co-investment

opportunities (in whole or part) instead to other third parties. If MGG determines that an investment opportunity is too large for the Funds and other Client accounts, MGG and its affiliates may, but will not be obligated to, make proprietary investments therein. MGG or its affiliates may receive fees and/or allocations from co-investors, which may differ as among co-investors and also may differ from the fees and/or allocations borne by investors in the primary Funds.

Side Letter Agreements

MGG or a related person, will have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of a Fund's Governing Documents to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, MGG or a related person, may enter into separate agreements with one or more Fund investors.

Valuation

The Funds' assets and liabilities are valued in accordance with MGG's Valuation Policy. In making valuation determinations, MGG may be deemed subject to a conflict of interest, as the valuation of such assets and liabilities affects its compensation and the compensation of the General Partner. There is no guarantee that the value determined with respect to a particular asset or liability by MGG will represent the value that will be realized by a Fund on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment.

MGG primarily addresses the potential conflicts noted above by enforcing a robust Code that (i) requires Access Persons to place the interests of the advisory clients over their own, (ii) requires all Access Persons to acknowledge their receipt and understanding of the Code, upon hire and annually thereafter, and (iii) prohibits Access Persons from making investments in certain securities/companies without appropriate preclearance from the CCO.

Conflicts in Investments in Tranches

In pursuing the investment strategies of the Funds, the Funds may invest in a loan to a single borrower that is comprised of different "tranches." For example, a senior secured term loan may be comprised of a "first out" tranche, a "second out" tranche, and a "last out" tranche. Funds may invest in different tranches of the same loan. Similarly, Funds may also make investments in an issuer at different levels of the issuer's capital structure. For example, a Fund may invest in the senior secured debt of such issuer, while another Fund invests in the issuer's unsecured debt and/or equity. As a result, a Fund's investment in a tranche of a loan (or at different levels of an issuer's capital structure) may be subordinated, senior or otherwise adverse to one or more investments in other tranches of the same loan held by another Fund (or to one or more investments held by another Fund at other levels of the issuer's capital structure).

MGG is subject to conflicts of interest determining whether Funds should invest in various tranches of a single loan (or at different levels of an issuer's capital structure), and is also subject to conflicts when negotiating the terms of one or more tranches of the same loan, particularly when Funds invest in different tranches of that loan. There may be times where the Funds are the only investors in a loan with multiple tranches or otherwise control the negotiations and have significant influence in the terms and size of the various tranches. In those cases, MGG will have the responsibility of negotiating all of the terms corresponding to each tranche of the loan. Similar conflicts may arise when a Fund invests in different levels of an issuer's capital structure.

Affiliates of MGG receive performance-based compensation from the Funds, and the terms of the performance-based compensation differ among such Funds. Accordingly, MGG may be incentivized to size the various tranches, obtain terms related to particular tranches and allocate those tranches among the Funds to maximize the performance-based compensation to its affiliates. Other factors that can influence MGG's negotiation and determination of the terms (including size) of the various tranches of a loan include, but are not limited to: (i) the available capital of the Funds, (ii) the rights of the investors in the Funds (including termination and/or withdrawal rights), (iii) differing investment guidelines and target returns for the Funds, (iv) the current portfolio of the Funds, (v) the current market environment, (vi) the current pipeline of investments for the Funds, (vii) the expected yield of an investment in a tranche and (viii) whether or not a Fund is in ramp-up, its start-up period or wind-down or liquidation. All of these and other factors cause or can cause conflicts of interest in structuring the terms of the various tranches (such as interest rates, covenants and events of default) that may not be present if an independent third party was investing in the different tranches.

Ultimately, if Funds invest in different tranches of a loan, MGG will seek to obtain terms for each tranche comparable to those that would have been obtained had such terms been negotiated between independent third parties in an arm's length transaction.

In addition, if the borrower of such a loan breaches its credit agreement, defaults on its obligations or seeks protection from creditors in bankruptcy or reorganizations, conflicts of interest will arise for MGG in its decision-making process. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. For instance, it may be in the best interest of the holders of the "first out" tranche to foreclose on their tranche of the loan so they are out in full while the holder of the "last out" tranche may prefer to waive the default or renegotiate the terms of their tranche. Similarly, it may be in the best interest of holders of senior debt of an issuer to approve of a plan of reorganization that favors such senior debt holders at the expense of holders of junior debt of such issuer. Accordingly, MGG may be in a position where it would ordinarily seek to protect the interest of a Fund to the potential detriment of another Fund to the extent such Funds own different tranches of a loan or invest at different levels of an issuer's capital structure.

MGG will seek to resolve such conflicts in a manner that it deems appropriate for the Funds. In resolving such conflicts, MGG may, among other things, (i) determine to protect

or otherwise favor the interests of holders of investments in one or more tranches of a loan (or holders of investments at one or more levels of an issuer's capital structure) if prioritizing that investment or those investments could, in MGG's reasonable discretion, yield the fairest results to the holders of all of the various investments, (ii) request the applicable advisory committee's review of and consent to MGG's proposal to resolve such conflict, (iii) recuse itself from voting on any matter relating to an investment when that investment is also held by one or more third parties, (iv) seek the approval of an independent third party (*e.g.*, an investment bank or other service provider) or the loan acquisition officer for certain non-U.S. Funds that are generally offered to persons who are non-U.S. persons and certain tax-exempt U.S. persons or (v) take another action that MGG determines in its reasonable discretion is appropriate under the circumstances. MGG will seek to resolve such conflicts of interest in a fair and equitable manner. Conflict resolution may result in a Fund receiving more or less consideration than it may otherwise have received in the absence of such conflict.

It is critical that investors and prospective investors refer to the applicable Fund's Disclosure Documents and/or Governing Documents for a detailed description of potential conflicts of interest related to an investment in such Fund. The information contained herein is a summary only, and investors and prospective investors are advised to carefully review all conflicts of interest set forth in the relevant Fund's Disclosure Documents and/or Governing Documents.

ITEM 12 - BROKERAGE PRACTICES

Discretionary Brokerage

The Funds invests primarily in non-public debt and equity securities, although they may acquire, sell or distribute public securities on occasion. When selecting private placement opportunities, MGG believes it satisfies its best execution responsibilities through careful negotiation of the terms of the investment. With respect to those limited instances in which the Funds purchase or sell or distribute publicly traded securities through a broker-dealer, MGG seeks to satisfy its best execution obligation by considering all relevant facts and circumstances, including the price and size of the order, the trading characteristics of the securities involved, the value of the research provided by each broker, the broker's execution abilities commission rates, and financial responsibility and responsiveness.

MGG does not generally have any soft dollar arrangements with respect to securities transactions for the Funds.

MGG does not consider referrals of investors to the Funds in determining its selection of broker dealers or other third parties.

Trade Aggregation

Although MGG does not often trade in public securities, in such circumstances where more than one Fund is either selling or buying the same type of security, MGG will, to the extent possible, generally place a combined order for two or more Funds engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of each such Fund's Governing Documents, and otherwise in the best interest of each such Fund.

ITEM 13 - REVIEW OF ACCOUNTS

Review of Client Accounts

MGG will continuously monitor portfolio investments on behalf of the Funds. Investments are reviewed in the context of a Fund's stated investment objectives and guidelines as set forth in the Governing Documents of such Fund. Members of MGG's investment team meet regularly to determine and review overall investment objectives, risk tolerance and other information relevant to the Funds.

Reports to Clients

MGG distributes quarterly and annually written reports to its Fund limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year. MGG generally provides audited financial statements to its clients within 120 days of the applicable client's fiscal year end.

Investors are requested to refer to the Governing Documents of the applicable Fund investment vehicle for further information on the reports provided to such Fund's investors by MGG.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Economic Benefits Received from Third Parties

In connection with investments made by the Funds, MGG or its related persons may receive consulting fees, commitment fees, monitoring fees, break-up fees, success fees or other remuneration from portfolio companies in which one or more of the Funds may invest or propose to invest (or affiliates of such portfolio companies). The potential for MGG and its related persons to receive such economic benefits creates a conflict of interest as MGG and its related persons may have an economic incentive to invest in portfolio investments that provide such benefits. To mitigate potential conflicts, MGG will generally offset a portion of such benefits against advisory fees payable by the applicable Fund or otherwise remit such benefits to the investors in such Fund in accordance with such Fund's Governing Documents. Investors are requested to refer to the Governing Documents of the applicable Fund for complete information on the additional compensation received by MGG or its affiliates or supervised persons in connection with such Fund's investments and the methodology used to calculate the applicable advisory fee offset.

Third Party Compensation for Client Referrals

MGG and related persons of MGG may enter into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to the Funds. In accordance with the terms of the applicable Fund's Governing Documents, any such placement agent fees will ultimately be payable by MGG and/or its related entities, either directly or through an offset of the advisory fee payable by such Fund to MGG. A Fund investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

ITEM 15 - CUSTODY

MGG is deemed to have custody of the Funds' assets by virtue of the fact that MGG or its related persons serve as the General Partners or managers to the Funds.

As MGG's investment program primarily involves investments in non-public debt and equity securities, MGG will generally not have physical custody of any client assets (other than physical custody of certain privately offered securities held directly or indirectly by the Fund to the extent permitted by the Advisers Act).

MGG anticipates that the majority of its investments will involve private securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. Such securities are not required to be maintained by a qualified custodian. Further, certain certificated, privately offered securities, in which the Fund may invest, are also not required to be maintained by a qualified custodian, provided that: (i) the Fund is subject to an annual audit as explained below; (ii) the certificate can be used only to effect a transfer or to otherwise facilitate a change in beneficial ownership of the security with the prior consent of the issuer or holders of the outstanding securities of the issuer; (iii) ownership of the security is recorded on the books of the issuer or its transfer agent in the name of the client; (iv) the certificate contains a legend restricting transfer; and (v) the certificate is appropriately safeguarded by MGG and can be replaced upon loss or destruction.

To the extent that a Fund's investments in private securities involve securities that are certificated, but do not satisfy the conditions referenced above, MGG will maintain such certificates with a qualified custodian.

MGG is exempt from the quarterly account statement delivery obligations and surprise audit requirement of the Custody Rule because each Fund will be audited each year by an independent public accountant, registered with and subject to inspection by the Public Company Accounting Oversight Board (PCAOB), and MGG will distribute audited financial statements to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, MGG will obtain a final audit and distribute audited financial statements prepared in accordance with U.S. GAAP with respect to such Fund to all investors promptly after completion of the audit.

ITEM 16 - INVESTMENT DISCRETION

Subject to the investment objectives, policies and restrictions of the Funds as set forth in the Governing Documents of the Funds, MGG and its affiliates have discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of the Funds, including the selection of, and commissions paid to, broker-dealers (where applicable). MGG is provided with this authority pursuant to a limited power of attorney granted by Funds' investors via the applicable Governing Documents.

ITEM 17 - VOTING CLIENT SECURITIES

Given the MGG's business as a private fund manager that specializes in providing financing solutions and direct lending to middle market companies, it is anticipated that it will be extremely rare that MGG will receive proxies with respect to securities held on behalf of its advisory clients (i.e., the Funds). However, in the event proxies have to be voted, MGG has adopted and implemented written policies and procedures governing the voting activities on behalf of its Funds in accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act. Its proxy voting activities are conducted in a manner consistent with, under all circumstances, the best interest of the Funds.

In exercising its voting discretion, MGG and its employees will seek to avoid any direct or indirect conflict of interest raised by such voting decision, or otherwise mitigate any conflicts that may arise. MGG's investment professionals may serve as board members for a Fund's portfolio companies. In situations where MGG votes the proxy for a company in which a member of MGG serves on the board of directors, MGG has determined that such voting and board service do not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the investors' investment and to ensure that the applicable Fund's interests are protected.

The CCO (or his designee) would deliver proxies in accordance with instructions related to such proxy. In the event proxy voting procedures were ever to be utilized, MGG would keep a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions, and each investor request for proxy voting records and MGG's response for the previous five years.

All proxies that MGG receives will be treated in accordance with these policies and procedures. A copy of MGG's written proxy voting policies and procedures, as well as a record of how MGG has voted in the past, will be maintained and available for review upon written request.

ITEM 18 - FINANCIAL INFORMATION

MGG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.