

**PART 2A FORM ADV  
FIRM BROCHURE**

**MIG Capital, LLC  
660 Newport Center Drive, Suite 1300  
Newport Beach, CA 92660  
(949) 474-5800**

**March 26, 2020**

**This brochure provides information about the qualifications and business practices of MIG Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (949) 474-5800 and/or [ir@migcap.com](mailto:ir@migcap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about MIG Capital, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**MIG Capital, LLC is registered with the SEC as an investment adviser. Being a "registered investor adviser" or describing ourselves as being "registered" does not imply a certain level of skill or training.**

**THIS BROCHURE IS NOT AN OFFER TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES.**

**Item 2.           Material Changes**

Since the prior filing of our Form ADV Part 2A (or “**brochure**”) dated March 27, 2019, MIG Capital, LLC has (i) terminated MIG Global Fund L.P. and MIG US Large Cap, L.P. and (ii) established MIG Capital VC Fund, L.P. We encourage you to carefully read this brochure for full details.

**Item 3. Table of Contents**

| <b>Form ADV<br/>Item No.</b> | <b>Description</b>  | <b>Page</b> |
|------------------------------|---|-------------|
| ITEM 2.                      | MATERIAL CHANGES .....  | 2           |
| ITEM 3.                      | TABLE OF CONTENTS.....  | 3           |
| ITEM 4.                      | ADVISORY BUSINESS .....   | 4           |
| ITEM 5.                      | FEES AND COMPENSATION .....   | 6           |
| ITEM 6.                      | PERFORMANCE-BASED FEES AND SIDE-BY-SIDE<br>MANAGEMENT.....                                    | 8           |
| ITEM 7.                      | TYPES OF CLIENTS.....   | 10          |
| ITEM 8.                      | METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK<br>OF LOSS.....                           | 11          |
| ITEM 9.                      | DISCIPLINARY INFORMATION.....   | 28          |
| ITEM 10.                     | OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....                                     | 29          |
| ITEM 11.                     | CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT<br>TRANSACTIONS AND PERSONAL TRADING..... | 32          |
| ITEM 12.                     | BROKERAGE PRACTICES .....   | 33          |
| ITEM 13.                     | REVIEW OF ACCOUNTS .....  | 36          |
| ITEM 14.                     | CLIENT REFERRALS AND OTHER COMPENSATION .....   | 37          |
| ITEM 15.                     | CUSTODY.....  | 38          |
| ITEM 16.                     | INVESTMENT DISCRETION .....   | 39          |
| ITEM 17.                     | VOTING CLIENT SECURITIES .....  | 40          |
| ITEM 18.                     | FINANCIAL INFORMATION.....  | 41          |
| ITEM 19.                     | REQUIREMENTS FOR STATE-REGISTERED ADVISERS .....  | 42          |

#### **Item 4. Advisory Business**

##### **A. Organization and Ownership**

MIG Capital, LLC (“**MIG**” or the “**Investment Manager**”) is a Delaware limited liability company organized on August 11, 2003. MIG’s principal owners are the E-Richard Merage GST 09 Trust and the Paul Merage GST 02 Trust, each of which are family trusts established by and for the benefit of certain members of the Merage family. MIG was formerly known as MIG Absolute Return, LLC, Falcon Investment Management, LLC and Vestar Strategic, LLC.

##### **B. Advisory Services**

MIG provides investment advisory services to several pooled investment vehicles organized inside or outside the U.S. that were organized to accept investment from qualified investors (collectively, the “**MIG Funds**” or the “**Clients**”). The MIG Funds primarily invest directly in publicly-traded securities and private companies. A brief description of the MIG Funds and their applicable investment strategies is set forth below.

###### **MIG Master Fund and Feeder Funds**

MIG Onshore Fund, L.P. is a Delaware limited partnership that invests substantially all or all of its assets in MIG Master Fund, L.P. (the “**MIG Master Fund**”), which itself is an exempted limited partnership organized under the laws of the Cayman Islands. Similarly, MIG Offshore Fund, Ltd. (together with MIG Onshore Fund, L.P., the “**Feeder Funds**”), an exempted company organized under the laws of the Cayman Islands invests substantially all or all of its assets in the MIG Master Fund. The investment objective of MIG Master Fund (and of the Feeder Funds invested therein) is to achieve superior long-term, risk-adjusted investment returns while minimizing the risk of permanent capital loss. MIG seeks to achieve this objective by leveraging the operational expertise of its investment team to construct a long/short portfolio of mostly public equities through in-depth fundamental business analysis combined with rigorous financial analysis.

###### **MIG Venture Capital Fund**

MIG Capital VC Fund, L.P. (“**MIG Venture Capital Fund**”) makes venture capital investments into private portfolio companies.

##### **C. Tailoring of Investment Advice**

MIG tailors its investment decisions for each of its Clients in accordance with the terms of the applicable private placement memorandum (“**PPM**”), limited partnership agreement and/or investment management agreement (collectively, the “**Governing Documents**”). Except to the extent set forth in any applicable Client’s Governing Documents with respect to certain established strategy or other limitations that MIG pursues on behalf of such Client, MIG’s Clients generally do not impose upon MIG any restrictions on investing in certain securities or types of securities.

**D. Wrap Fee Programs**

MIG does not provide portfolio management services to any wrap fee programs.

**E. Assets Under Management**

MIG manages all of its Clients' accounts on a discretionary basis. As of December 31, 2019, MIG's regulatory assets under management were approximately \$1,568,839,032.

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

### **A. Compensation**

The Feeder Funds pay MIG a management fee, generally payable monthly in arrears, in the range of 0.75% to 1.50%, depending on investor share class, per annum of the aggregate (i) capital account balances in MIG Onshore Fund, L.P. and (ii) net asset value of each series of shares of MIG Offshore Fund, Ltd., in each case, of fee-paying investors in each applicable Feeder Fund as of the end of each calendar month, as specified in further detail in the Feeder Funds' Governing Documents. The MIG Venture Capital Fund does not pay fees to MIG at this time.

At MIG's sole discretion, management fees applicable to one or more investors in a MIG Fund may be reduced, waived or, with the consent of the applicable investor, calculated differently, and management fees are currently waived or reduced for certain investors that are or are comprised of persons or entities affiliated with the Merage family.

Certain MIG Funds also compensate affiliates of MIG through performance-based profit allocations or fees, as described in Item 6.

With respect to any MIG Fund (an "**Investing MIG Fund**") that invests all or a portion of its assets in another underlying MIG Fund (currently only the Feeder Funds investing in the MIG Master Fund), management fees and performance-based profit allocations or fees (if any) will generally be waived at the level of the Investing MIG Fund with respect to any assets thereof that are allocated to an underlying MIG Fund. However, the Investing MIG Fund will, as an investor in an underlying MIG Fund, bear its pro rata share of the management fees and performance-based profit allocation or fee charged to investors in the underlying MIG Fund.

### **B. Payment of Fees**

MIG does not bill the investors in any MIG Funds for management fees or performance-based profit allocations or fees. Rather, management fees are deducted from the assets of the applicable MIG Funds on a monthly basis in arrears in the case of the Feeder Funds with respect to their fee-paying investors. Each applicable MIG Fund charges its management fee to the capital accounts or shares, as applicable, of each fee-paying investor in such MIG Fund accordingly. Similarly, the performance-based profits allocations or fees are made within the applicable MIG Funds generally at the end of each year, or sooner with respect to any investor who withdraws or redeems from an applicable MIG Fund at any time other than at the end of a fiscal year.

### **C. Other Fees**

Each of the MIG Funds (and indirectly, the underlying investors therein) will pay or otherwise bear various additional fees and expenses. These are generally outlined below, and additional information regarding the payment of fees and expenses are also included in each MIG Fund's Governing Documents.

For Class A interests or shares of the Feeder Funds, each Feeder Fund charges an early withdrawal fee of 3% in the event of a withdrawal or redemption in the first twelve months of an investment. Under certain circumstances, the withdrawal fee may be waived at the discretion of MIG.

Each of the MIG Funds will generally bear their own operating and other expenses, which include, but are not limited to, investment-related expenses (*e.g.*, brokerage commissions and transaction costs, clearing and settlement charges, custodial fees, interest expense, consulting, investment banking and any other professional fees or compensation relating to particular investments or contemplated investments, investment-related travel and lodging expenses and research-related expenses, including, without limitation, quotation equipment and services), expenses related to risk management provided by third parties, third-party valuation services and anti-money laundering compliance and reporting expenses, expenses relating to reports provided to underlying investors, legal and compliance expenses (which include, without limitation, indemnification expenses and expenses associated with regulatory filings relating to the applicable MIG Fund and for its respective portfolio, including Form PF preparation and filing fees), internal and external accounting, audit and tax preparation expenses, organizational expenses, expenses relating to the offer and sale of interests or shares in the relevant MIG Fund (excluding any marketing expenses), entity-level taxes, fees to an administrator, Advisory Board's fees and expenses, the costs of any liability insurance obtained on behalf of the MIG Fund, the costs of any litigation or investigation involving a MIG Fund's activities, expenses related to the maintenance of the MIG Fund's registered office, corporate licensing, extraordinary expenses and other similar expenses related to the MIG Fund. The actual expenses borne by each MIG Fund may vary, as set out in the Governing Documents for each MIG Fund. A portion of any MIG Fund's operating expenses may be shared with other MIG Funds or other investment entities or accounts managed by MIG or any of its affiliates, on an equitable basis as determined by MIG. Not all of the foregoing expenses may be applicable to each of the MIG Funds.

Each MIG Fund has also paid or reimbursed MIG and/or its affiliates for all expenses related to organizing such MIG Fund, including, but not limited to, legal and accounting fees, printing and mailing expenses and government filing fees (including blue sky filing fees).

Each of the Feeder Funds bears its own costs and expenses as described above, and also bears its *pro rata* share of the MIG Master Fund's costs and expenses.

Each MIG Fund will also pay brokerage fees and other transaction costs of any brokers and/or custodians they may use from time to time, as further discussed in Item 12.A.

To the extent that fees and expenses of a MIG Fund (including management fees) are identifiable with a particular class of interests or shares in such MIG Fund, MIG charges such fees and expenses solely to the relevant class, as applicable. Investors in any MIG Fund will generally bear all other expenses of the applicable MIG Fund generally *pro rata*

in accordance with their account balances or the net asset value of their shares in such MIG Fund.

Any expense of MIG Master Fund that relates specifically to a Designated Investment (as defined in Item 6) will be charged solely against the investors in MIG Master Fund (including the Feeder Funds, in the case of MIG Master Fund) participating in such Designated Investment in proportion to their interest in such Designated Investment. MIG Capital Advisors, LLC, an affiliate of MIG that serves as the general partner of MIG Master Fund will determine, in its sole discretion, whether an expense relates specifically to a Designated Investment (including the determination that an expense will not be specifically allocated for purposes of administrative convenience or otherwise).

#### **D. Compensation for the Sale of Securities**

Neither MIG nor any of its supervised persons accepts any compensation for the sale of securities or other investment products, including interests in the MIG Funds.

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

#### **Performance-Based Profits Allocations or Fees**

Certain MIG Funds compensate affiliates of MIG through performance-based profit allocations or fees (collectively, “performance-based compensation”) with respect to investments made in such MIG Funds by fee-paying underlying investors. The specifics of each performance-based compensation arrangement are fully described in the Governing Documents for each applicable MIG Fund. For those MIG Funds that are charged performance-based compensation, such compensation is generally paid (or made, in the case of profit allocations) at the end of each fiscal year, in an aggregate amount equal to a specified percentage of the excess of any net capital appreciation allocated to the capital accounts or net increase in the value of the shares, as applicable, of the underlying investors in each applicable MIG Fund. For the MIG Master Fund, such percentage is either 17.5% or 20% (depending on the applicable class of interests). The amount of such performance-based compensation is then reallocated to the capital accounts of each applicable MIG Fund’s general partner (MIG Capital Advisors, LLC, an affiliate of MIG) and another entity affiliated with MIG, or paid to such persons as a fee. No performance-based compensation shall be made or paid with respect to any capital account or shares of any underlying investor in a MIG Fund until a “loss recovery account” relating to such capital account has recovered any credits for aggregate net capital depreciation, if any, previously allocated to such capital account, or any shares of an underlying investor in a MIG Fund have exceeded their prior high net asset value. At MIG’s sole discretion, performance-based profits allocations or fees applicable to certain investors in one or more MIG Funds may be reduced, waived or, with the consent of the applicable investor, calculated differently, and performance-based compensation is currently waived or reduced for certain investors that are or are comprised of persons or entities affiliated with the Merage family. If an underlying investor in a MIG Fund withdraws capital or redeems its shares from such MIG Fund at any time other than at the end of a fiscal year, any applicable performance-based compensation arrangement with respect to the amount withdrawn or redeemed will be reallocated or paid to affiliates of MIG in the manner set forth above. MIG Master Fund and the Feeder Funds, respectively, may each hold certain illiquid investments that



are designated as such by the general partner of MIG Master Fund as “Designated Investments”, and the profits and losses from the sale (including any deemed sale) of any such investment will only be taken into account for purposes of calculating any applicable performance-based profit allocation or fee in the year such sale occurs.

Other MIG Funds may charge performance-based compensation at varying rates (which are in any event lower than the rates applicable to the MIG Master Fund as specified above), or may not presently charge performance-based compensation to their investors. However, it is expected that to the extent such MIG Funds charge performance-based compensation to future investors, they will do so at rates consistent with or less than the rates set forth above.

The fact that certain of the MIG Funds compensate MIG and its affiliates based on the performance of the investments managed by MIG creates an incentive for MIG to give certain MIG Funds preferential treatment in the allocation of more attractive investment opportunities and/or to make investments on behalf of MIG Funds that are riskier or more speculative than would be the case in the absence of a performance-based compensation arrangement. MIG has established policies and procedures to address this particular conflict of interest. In particular these procedures require that, to the extent reasonably possible, MIG Funds with the same investment strategies share in the allocation of investment opportunities on a *pro rata* basis (subject to certain exceptions, which may include a MIG Fund having cash available), and subject to suitability considerations, as determined by MIG. MIG performs a periodic review of each MIG Fund’s accounts to ensure that no MIG Fund is impermissibly favored in the allocation process.

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

MIG currently provides investment advice to the MIG Funds described in Item 4 above. The investors in these MIG Funds include trusts, high net worth individuals, charitable organizations, and other pooled investment vehicles. Currently, members of the Merage family (including trusts established by members of the Merage family) have, directly or indirectly, a substantial portion of the capital in the MIG Master Fund and substantially all of the capital in the MIG Venture Capital Fund.

For the Feeder Funds the minimum initial investment is \$1,000,000. The minimum additional investment amount thereafter for the Feeder Funds is \$250,000. These minimum investment amounts generally can be waived at the discretion of MIG. As stated above, the MIG Venture Capital Fund consists of capital primarily from the Merage family. To the extent the fund is open to investment in the future, the minimum investment amount will be stated in the Governing Documents.

Investors in any of the MIG Funds that are organized in the United States, and U.S. investors in any of the MIG Funds that are organized under non-U.S. law, are generally required to be (i) “accredited investors” within the meaning of Rule 501(a) under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”), in reliance upon the exemption from the registration requirements of the 1933 Act provided in Rule 506 under the 1933 Act and (ii) “qualified purchasers” within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended.

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

The principal investment strategies which are pursued by the MIG Funds are outlined below. Material risks specific to the MIG Funds' investment strategies, including any particular type of security in which the investment strategy focuses are also outlined below.

Investments in investment strategies managed by MIG are generally subject to normal market fluctuations and other risks inherent in investing in securities. The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on an investment strategy heavily invested in that asset class or region. The descriptions of specific strategies below should not in any way be understood as limiting any MIG Fund's investment activities. Each MIG Fund may engage in investment strategies not described herein, as MIG and its affiliates consider appropriate (and consistent with each MIG Fund's Governing Documents). Each MIG Fund's investment program is speculative and entails substantial risks. There can be no assurance that any MIG Fund's investment objective will be achieved or that significant losses will not be incurred. Investments may vary substantially on a monthly, quarterly or annual basis.

Investments in any MIG Fund present potentially significant risks and are not intended as a complete investment program. Investing in securities involves risk of loss that investors should be prepared to bear. The following material risks relate generally to the investment strategy and methods of analysis for each applicable MIG Fund. Not all of these risks will be equally relevant to each MIG Fund that we manage at any time. Additional risks relating to certain specific strategies of certain MIG Funds are described below.

Additional information regarding the methods of analysis, investment strategies and investment risks associated with investing in each MIG Fund is contained in its PPM or other Governing Documents.

### **MIG Master Fund and Feeder Funds**

The investment objective of MIG Master Fund (and of the Feeder Funds invested therein) is to achieve superior long-term, risk-adjusted investment returns while minimizing the risk of permanent capital loss. MIG seeks to achieve this objective by leveraging the operational expertise of its investment team to construct a long/short portfolio of mostly public equities through in-depth fundamental business analysis combined with rigorous financial analysis.

MIG believes that valuation is critical and that long-term investment success demands a portfolio that is structured to preserve capital in periods of market stress. To achieve this goal, MIG will attempt to select long investment positions which it believes have significant upside potential, limit the position size on short sales and focus on portfolio and risk management. MIG will strive to achieve MIG Master Fund's investment objective by gaining superior knowledge independently by using MIG's principals' substantial prior experience as owners/operators of a large consumer company and their developed network of contacts in the consumer sector. It is anticipated that a significant portion of the MIG Master Fund's assets will typically be invested in securities of companies in consumer-facing industries and companies that do business with companies in those industries. However, MIG will seek to be opportunistic in its investment process and a portion of the

MIG Master Fund's assets may be invested in the securities of companies in other industries. MIG will strive to identify and monitor a database of companies where it has a proprietary business model view, including drivers of revenue and earnings, comprehensive review of balance sheet and accounting principles and quality of cash flow and return on invested capital.

An investment in MIG Master Fund (and consequently, in the Feeder Funds) involves certain risks, including the following (and for purposes of this Item 8, any references below to the MIG Funds shall include each of the MIG Master Fund and Feeder Funds, as well as those other MIG Funds referenced below in this Item 8, if applicable):

*Risks Associated With Investments in Securities.* An investment in the MIG Funds is highly speculative and involves a high degree of risk, including the risk that the entire amount invested may be lost. MIG will be investing substantially all of the MIG Funds' assets in securities, some of which may be particularly sensitive to economic, market, industry, regulatory and other variable conditions. The markets in which the MIG Funds expect to invest have recently experienced and continue to experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the MIG Funds. An investment in the MIG Funds should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. Investors should be able to withstand the loss of their entire investment in the MIG Funds.

*Availability of Investment Strategies.* Identification and exploitation of the investment strategies to be pursued by the MIG Funds involve a high degree of uncertainty. No assurance can be given that the MIG Funds will be able to locate suitable investment opportunities in which to deploy all of their respective assets. A reduction in market liquidity or the pricing inefficiency of the markets in which the MIG Funds seek to invest, as well as other market factors, will reduce the scope of the MIG Funds' investment strategies.

*Equity Securities.* The MIG Funds will invest in equity securities and equity-related security derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, a MIG Fund may suffer losses from investments in equity instruments of issuers whose performance diverges from MIG's expectations or if equity markets generally move in a single direction and the MIG Fund has not hedged against such a general move.

*Equity Price Risk.* The MIG Funds' investment portfolios will include long and short positions in equity securities. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the MIG Funds.

*Short Selling.* One or more MIG Funds engage in short selling of securities. Short selling involves selling securities which may or may not be owned and borrowing the same

securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the MIG Funds of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating any loss. Short sale transactions have been subject to increased regulatory scrutiny in response to recent market events, including the imposition of restrictions on short selling certain securities and reporting requirements. A MIG Fund's ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the MIG Fund. Additionally, the SEC, its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may impose restrictions that adversely affect a MIG Fund's ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, a MIG Fund may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. A MIG Fund may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and a MIG Fund is subject to strict delivery requirements. The inability of a MIG Fund to deliver securities within the required time frame may subject the MIG Fund to mandatory close out by the executing broker-dealer. A mandatory close out may subject the MIG Fund to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact the MIG Fund's ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the MIG Fund.

*Preferred Securities.* The MIG Funds may invest in preferred stock of U.S. and non-U.S. companies. Preferred stock, unlike common stock, offers a stated dividend rate payable from a corporation's earnings. These dividends may be cumulative or non-cumulative, participating or auction rate. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the prices of preferred stocks to decline. Preferred stock

may have mandatory sinking fund provisions and call/redemption provisions prior to maturity, a negative feature when interest rates decline. Dividends on some preferred stock may be “cumulative”, requiring all or a portion of prior unpaid dividends to be paid before dividends are paid on the issuer’s common stock.

Preferred stock also generally has a preference over common stock on the distribution of a corporation’s assets upon liquidation of the corporation, and may be “participating”, which means that it may be entitled to a dividend exceeding the stated dividend in certain cases.

Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If a MIG Fund owns a preferred security that is deferring its distributions, the MIG Fund may be required to report income for tax purposes although it has not yet received such income.

Preferred securities are generally subordinate to the rights associated with an issuer’s debt securities in terms of priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt instruments. Preferred securities may be substantially less liquid than many other securities.

*Debt Securities.* From time to time, one or more MIG Funds may invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer’s ability to make timely payment of interest and principal. Such instruments may be regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

*Derivatives.* One or more MIG Funds may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment strategies and for hedging purposes. Regulatory restraints may restrict the instruments that a MIG Fund may trade. Derivative instruments are highly volatile, involve certain special risks and expose investors to a number of risks, including risk of loss, market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. In addition, daily limits on price fluctuations and

speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value of a MIG Fund, incorrect collateral calls or delays in collateral recovery. The MIG Funds may also sell covered and uncovered options on securities. Furthermore, special risks may apply to instruments that are invested in by a MIG Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the MIG Funds To the extent that such options are uncovered, the MIG Fund could incur an unlimited loss.

*Use of Options.* One or more MIG Funds may buy or sell (write) both call options and put options (either exchange-traded, over-the-counter or issued in private transactions). A MIG Fund's options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the MIG Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions the a MIG Fund may enter into.

When a MIG Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, could result in a total loss of the MIG Fund's investment in the option (including commissions). The MIG Fund could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (*i.e.*, by buying the securities or buying options on them) on securities underlying put options.

When a MIG Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, an increase in the market price of the security above the exercise price would cause the MIG Fund to lose the opportunity for gain on the underlying security--assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the MIG Fund might suffer as a result of owning the security.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security's price below the exercise price would cause a MIG

Fund to lose some or all of the opportunity for profit on the “covering” short position--assuming the MIG Fund is short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss the MIG Fund might suffer in closing out its short position.

Some or all of the MIG Funds may invest in exchange-traded funds (“ETFs”), which are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track a particular market index. A MIG Fund could purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (a) the risk that their prices may not correlate perfectly with changes in the underlying index; and (b) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

*Futures Contracts.* The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which a MIG Fund’s positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a MIG Fund from promptly liquidating unfavorable positions and subject the MIG Fund to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

*Illiquid Securities.* From time to time, the MIG Funds may invest in structured products, derivatives and other types of unregistered securities, which are generally not publicly traded. A MIG Fund may not be able to readily dispose of such non-publicly-traded financial instruments and, in some cases, may be contractually prohibited from disposing



of such financial instruments for a specified period of time. Accordingly, a MIG Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities. In addition, the market prices, if any, for such illiquid financial instruments tend to be volatile, and the MIG Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid securities also often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets.

Furthermore, there may be limited information available about the assets of such issuers of the financial instruments which may make valuation of such financial instruments difficult or uncertain. It also should be noted that, even those markets which MIG expects to be liquid can experience periods, possibly extended periods, of illiquidity.

*Designated Investments.* Except as set forth below, the MIG Funds are not anticipated to purchase assets that are illiquid, restricted or difficult to value, provided, however, that in limited circumstances, general economic or market conditions may adversely affect the liquidity of, or ability to value, certain investments held by one or more of the MIG Funds. In such circumstances, the general partner (or board of directors) of the applicable MIG Fund may, if permitted in a MIG Fund's Governing Documents, designate such securities as "Designated Investments", and all investors in such MIG Fund at the date of such designation will participate on a pro rata basis in such Designated Investments. Such Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Designated Investments are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. Designated Investments may represent capital not available for withdrawal by investors in the applicable MIG Fund. Such investments may be difficult to value.

*Commodity-Related Instruments.* The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity-related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities.

Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

*Loans of Portfolio Securities.* Some of the MIG Funds may lend their portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of a MIG Fund's assets. By doing so, the MIG Fund will attempt to increase its income through the receipt of interest on the loan. In

the event of the bankruptcy of the other party to a securities loan, the MIG Fund could experience delays in recovering the securities lent. To the extent that the value of the securities lent has increased, the MIG Fund could experience a loss if such securities are not recovered.

*Non-U.S. Investments and Emerging Markets.* Investing in the securities of companies located outside the U.S. (including, western countries, “emerging market” countries and underdeveloped countries) involves certain considerations not usually associated with investing in securities of U.S. companies, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a MIG Fund’s investment opportunities.

In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to U.S. standards and, consequently, less information is available to shareholders of companies located in such countries than is available to shareholders of companies located in the U.S. Moreover, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associate risks, are not expected to be highly correlated with each other and may behave in unpredictable ways. There is also less regulation, generally, of the securities markets in non-U.S. countries.

A MIG Fund may be subject to additional risks which include possible adverse political and economic developments, possible seizure or nationalization of non-U.S. deposits and possible adoption of governmental restrictions which might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, some of the securities may be subject to brokerage, stamp or other taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Furthermore, a non-U.S. issuer of debt or the non-U.S. governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due, and a MIG Fund may have limited recourse in the event of a default. Some of these risks do not apply equally to issuers in larger, more developed countries. These risks are more pronounced in investments in issuers in countries with emerging markets or if a MIG Fund invests significantly in a particular country.

Investment in emerging market securities and underdeveloped markets involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market

regulation, less favorable tax provisions and a greater likelihood of severe inflation, unstable currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, a MIG Fund's investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

The issuers of some non-U.S. securities, such as banks and other financial institutions, may be subject to less stringent regulations in emerging markets than would be the case for issuers in developed countries and therefore potentially carry greater risk. Custodial expenses for a portfolio of emerging markets securities generally are higher than for a portfolio of securities of issuers based in developed countries. While MIG will take these factors into consideration in making investment decisions for the MIG Fund, no assurance can be given that they will be able to fully avoid these risks.

*Undervalued and Distressed Securities.* Some of the MIG Funds may invest in securities that MIG believes are undervalued. Such undervalued securities may include investments in distressed situations, including the purchase of securities of issuers in bankruptcy, at risk of filing for bankruptcy or otherwise being insolvent. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above average returns, these investments involve a high degree of risk and can result in substantial losses. In addition, a MIG Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this holding period, a portion of a MIG Fund's capital would be committed to the securities purchased, thus possibly preventing the MIG Fund from investing in other more lucrative opportunities.

In addition, a MIG Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during the holding period. Returns generated from such investments may not adequately compensate a MIG Fund for the risks involved.

*Brokerage Commissions/Transaction Costs.* The MIG Funds' activities may involve a high level of trading, and the turnover of such portfolio may generate substantial transaction costs. These costs will be borne by the MIG Funds, irrespective of profitability.

*Small and Medium Capitalization Companies.* While MIG believes securities in companies with small and medium capitalizations often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be or become illiquid.

*Purchasing Securities of Initial Public Offering.* From time to time some of the MIG Funds may purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for a MIG Fund to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. Rule 5130 and Rule 5131 restricts certain persons from participating in the profits and losses attributable to new issues.

*Unforeseen Events.* The MIG Funds may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced withdrawals of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

*Leverage.* Although the MIG Funds are not expected to use significant leverage, MIG may from time to time seek to leverage a MIG Fund’s portfolio through margin and other debt in order to increase the amount of capital available for investments (as well as any deemed leverage from shorting positions and the use of derivatives). Although leverage increases returns if a MIG Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to the MIG Fund if it fails to earn as much on such incremental investments as it pays for such funds. Therefore, the use of leverage will magnify the volatility of changes in the value of the investments of a MIG Fund. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by a MIG Fund in a market that moves adversely to its investments could result in substantial losses to the MIG Fund, which would be greater than if the MIG Fund were not leveraged. Given that the MIG Funds do not expect to use significant leverage, performance could be adversely effected thereby.

The use of short term margin borrowing results in certain additional risks to the MIG Funds. For example, should the securities pledged to brokers to secure a MIG Fund’s margin accounts decline in value, the MIG Fund could be subject to a “margin call”,

pursuant to which the MIG Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the MIG Fund's assets, the MIG Fund might not be able to liquidate assets quickly enough to satisfy such margin requirements.

*Systems, Operational, and IT Security.* MIG relies upon financial, accounting, and other data processing systems. Failures in the systems employed by MIG or other parties could result in mistakes made in the investment management process, confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Some of these systems require manual input and processing susceptible to human error. In addition, despite the security measures established by MIG and third parties to safeguard the information in these systems, such systems may be breached due to attacks by hackers, employee error or malfeasance or other disruptions. While MIG's business continuity plan seeks to address local disruptions or telecommunications, internet access and other electronic communication methods, the Funds remain vulnerable to the direct and indirect effects of any broad-based technical disruptions. The service providers of MIG and the Funds are also subject to electronic information security threats. These threats could impact investors both because these service providers maintain sensitive information and because their systems can be breached and misused by hackers to access MIG's systems and information. If there were a breach of a service provider's networks, sensitive information (including, relating to the transactions of the Funds and personally identifiable information of investors) may be lost or improperly accessed, used or disclosed. Any of the foreign failures or disruptions could have a material adverse effect on the Funds.

*Algorithmic Trading.* The Funds at time use algorithmic trading and execution methods, which employ computer-programmed algorithms (typically designed and operated by the Funds' brokers, sometimes with input from MIG) to execute trades based on a set of pre-determined rules and objectives. Errors of design or implementation (which may become apparent only in certain market conditions) may cause the Funds to pursue aberrant behavior and trade in ways contrary to the intention of MIG. Although MIG has taken steps to evaluate that the algorithms it uses will work as intended, there can be no assurance that they will in all cases. Any breakdown in algorithmic trading could cause substantial losses to the Funds.

*Concentration of Investments.* Although under normal market conditions MIG expects to diversify investments of the MIG Funds among a number of issuers, MIG may invest one or more of the MIG Funds' assets in a limited number of issuers. In addition, it is anticipated that a significant portion of one or more of the MIG Funds' assets will typically be invested in securities of companies in consumer-facing industries and companies that do business with companies in those industries. Therefore, a MIG Fund's assets may be concentrated in a limited number of issuers and/or industries. Such concentration may expose the MIG Fund to losses disproportionate to those incurred by the market in general if the areas in which the MIG Fund's investments are concentrated are disproportionately adversely affected by price movements, and the aggregate return on the MIG Fund's investments may be substantially adversely affected by the unfavorable performance of

even a single portfolio investment. Accordingly, a MIG Fund should not be viewed as a complete investment program and the MIG Fund may not be adequately diversified in all market conditions.

*Systemic Risk.* Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which some of the MIG Funds will interact on a daily basis.

*Counterparty and Custodial Risk.* To the extent that a MIG Fund invests in swaps, “synthetic” or derivatives instruments, reverse repurchase agreements, certain types of option or other customized financial instruments, the MIG Fund takes the risk of nonperformance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. A MIG Fund’s use of derivatives and other techniques (such as short sales) involves certain additional risks, including: (i) dependence on the ability to predict movements in the price of the derivative instrument and (ii) imperfect correlations between movements in the assets on which the derivative is based and movements in the reference asset.

In addition, there are risks involved in dealing with the custodians or brokers who settle the MIG Fund trades. Securities and other assets deposited with custodians or brokers may not be identified as being assets of a MIG Fund and hence the MIG Fund may be exposed to a credit risk with respect to such parties. There is a risk that any of such parties could become insolvent. Although MIG regularly monitors the financial condition of the counterparties it uses, if one or more of a MIG Fund’s counterparties were to become insolvent or the subject of liquidation proceedings in the U.S. (either under the Securities Investor Protection Act or the Bankruptcy Code), there exists the risk that the recovery of the MIG Fund’s securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

Furthermore, in the event that any of a MIG Fund’s prime brokers rehypothecate the MIG Fund’s securities held with such prime broker, the MIG Fund might be a general unsecured creditor with respect to any claims related to such securities if such prime broker was the subject of any liquidation or bankruptcy related proceeding. In addition, a MIG Fund may use counterparties located in various jurisdictions outside the U.S. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency.

However, the practical effect of these laws and their application to a MIG Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the MIG Fund and its assets.

Investors should assume that the insolvency of any counterparty would result in a loss to the MIG Funds, which could be material. The MIG Funds reserve the right, in their sole discretion, to change counterparties (including, without limitation, brokers and/or custodians) without notice to investors. The MIG Funds are not subject to any formal requirements regarding the credit ratings of such counterparties and, as recent developments have shown, such credit ratings may not be accurate measures of a counterparty's creditworthiness.

*Market Liquidity and Leverage.* The MIG Funds may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the MIG Funds' ability to adjust its positions. The size of a MIG Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by the prime brokers and custodians, or other counterparties with which a MIG Fund enters into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the MIG Funds.

*Hedging Transactions.* A MIG Fund may (but is not required to) utilize financial instruments both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of its investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the MIG Fund's unrealized gains in the value of such investment portfolios; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any of its investments in such portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the MIG Fund's liabilities or assets; (vii) protect against any increase in the price of any financial instruments the MIG Fund anticipates purchasing at a later date; or (viii) act for any other reason that MIG deems appropriate. The MIG Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally.

When MIG decides to hedge one or more positions, the success of such hedging strategy will be subject to MIG ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of such hedging strategy will also be subject to MIG's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While a MIG Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the MIG Fund than if the MIG Fund had not engaged in any such hedging transactions. For a

variety of reasons, MIG may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the MIG Fund from achieving the intended hedge or expose the MIG Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the MIG Fund's portfolio holdings. Moreover, it should be noted that a MIG Fund's portfolio will always be exposed to certain risks that cannot be hedged.

*Currency Exposure.* Interests in the MIG Funds will be issued and generally withdrawal proceeds will be paid in U.S. dollars. The assets of a MIG Fund may, however, be invested in securities and other investments which are denominated in currencies other than U.S. dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. MIG may hedge the non-U.S. currency exposure of a MIG Fund by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts, cross-currency swaps or by shorting non-U.S. debt. However, the assets of a MIG Fund will necessarily be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the U.S. dollar and other currencies.

To the extent unhedged, the value of a MIG Fund's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the MIG Fund makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the MIG Fund's financial instruments in their local markets and may result in a loss to the MIG Fund. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the MIG Fund's non-U.S. dollar investments.

*Epidemics; Pandemics.* As of the date of this brochure, there has been an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which has spread to certain countries throughout the world including the United States. This outbreak of COVID-19 (and any future outbreaks of any other epidemics or pandemics) has led (and may continue to lead) to significant uncertainty, breakdowns delays and other disruptions in the global financial markets and the economies of nations where the COVID-19 has arisen and may in the future arise, and may result in adverse impacts on the global economy in general, with potential corresponding results on the performance of the MIG Fund, MIG, the general partner and the principals of MIG. The outbreak has been declared to be a public health emergency of international concern by the World Health Organization, and the U.S. Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak. It is impossible to predict the scope of this outbreak or the impact it may have on the global economy or the global financial markets. The COVID-19 outbreak has already led to certain governmental interventions that were implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. Additional governmental intervention is likely to occur and



the impact on the MIG Fund, its investments, MIG, the general partner and the principals of MIG cannot be predicted. Additionally, no assurances can be made regarding the policies that may be adopted by the U.S. federal government or any U.S. state government as a result of the outbreak and/or market volatility. In response to the COVID-19 outbreak, MIG's personnel are working remotely and travel is restricted. Although the MIG has implemented its business continuity plan to permit personnel to effectively work remotely, there is no assurance that this will work effectively at all times. This outbreak of COVID-19, or any future similar epidemic or pandemic, could adversely affect the ability of the MIG Fund to satisfy its investment objectives, and could result in significant losses to the MIG Fund. The extent of the impact of any such outbreak will depend on many factors, including the duration and scope of such outbreak, the development and distribution of treatments and vaccines for viruses such as COVID-19, the extent of its disruption to important global, regional and local supply chains and economic markets, and the impact of such outbreak on overall supply and demand, investor liquidity, consumer confidence and levels of economic activity, all of which are highly uncertain and cannot be predicted.

### **MIG Venture Capital Fund**

*Risks of Investments in Less Established Companies.* The MIG Venture Capital Fund may invest in the securities of smaller, less-established companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Smaller companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The securities of such companies may be subject to more abrupt and erratic market price movements than larger, more-established companies, because trading volumes for their securities are generally quite low. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance.

*Uncertainty of Financial Projections.* MIG will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will typically be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

*Risk Relating to Due Diligence and Conduct at Portfolio Companies.* Before the MIG Venture Capital Fund makes an investment, MIG will conduct such due diligence as they deem reasonable and appropriate based on the facts and circumstances applicable to the investment. Due diligence may entail feasibility and technical studies, studies regarding reserves, environmental studies, marketing studies, business plan development, evaluation

of important and complex business, financial, tax, accounting, environmental and legal issues as well as background investigations of individuals. Outside professionals, engineers, consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. The involvement of such third parties may present a number of risks primarily relating to reduced control of the functions that are outsourced and may entail significant third-party expenses, which will be borne by the MIG Venture Capital Fund subject to certain limitations thereon set forth in the relevant partnership agreements. In addition, if the MIG Venture Capital Fund is unable to timely engage third-party providers, its ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect. Potential investors should regard an investment in the MIG Venture Capital Fund as being speculative and having a high degree of risk.

In the event of fraud, any material misrepresentation or omission or any professional negligence by any seller of assets acquired by a portfolio company or such seller's representatives, by a portfolio company or any of its affiliates, or by any other third party, the MIG Venture Capital Fund may suffer a material loss of capital and the value of the MIG Funds' investments may be adversely impacted. The MIG Venture Capital fund will rely upon the accuracy and completeness of representations made by various persons in the due diligence process and cannot guarantee such accuracy or completeness.

*Risks in Effecting Operating Improvements.* In many cases, the success of the MIG Venture Capital Fund's investment strategy will depend, in part, on the ability of the MIG Venture Capital Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing potential operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the MIG Venture Capital Fund will be able to successfully identify and implement such improvements.

*Limited Number of Investments.* The MIG Venture Capital Fund may participate in a limited number of investments and, consequently, the aggregate return of the MIG Venture Capital Fund may be substantially affected by the unfavorable performance of a single investment.

*Leverage.* The MIG Venture Capital Fund's investments may include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although MIG will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio companies or their respective industry. Additionally, the

securities acquired by the MIG Venture Capital Fund may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss.

*Investments in Public Companies.* The MIG Venture Capital Fund may take private portfolio companies public. Investments in public companies may subject the portfolio company to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the MIG Venture Capital Fund to dispose of such securities at certain times (including due to the possession by the MIG Venture Capital Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include the principals and other members of MIG team, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the aforementioned risks.

*Competitive Marketplace.* The MIG Venture Capital Fund will be competing with a significant number of other private equity and venture capital funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result of this competition, there can be no assurance that the MIG Venture Capital Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

*Risks Upon Dispositions of Investments.* In connection with the disposition of a portfolio investment, the MIG Venture Capital Fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of the MIG Venture Capital Fund, which might ultimately have to be funded by the investors in a MIG Fund (either out of unfunded capital commitments on a return of distribution) to the extent that such contingent liabilities exceed the reserves and other assets of the MIG Venture Capital Fund. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each investor that receives a distribution in violation of such Act will, under certain circumstances, be obligated to return such distribution to the applicable MIG Fund.

**Item 9.           Disciplinary Information**

Neither MIG nor any of its management persons has been subject to any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of MIG's advisory business or the integrity of its management.

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

### **A. Affiliated Broker-Dealers**

Neither MIG nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **B. Affiliated Commodity Advisors**

Neither MIG nor any of its management persons are currently registered, or have an application pending to register, as a futures commission merchant or an associated person thereof.

### **C. Other Affiliations and Conflicts of Interest**

**The MIG Funds' General Partner.** As discussed in **Item 6** above, MIG Capital Advisors, LLC (the "**General Partner**"), an affiliate of MIG, serves as a general partner to each MIG Fund (other than the Feeder Fund formed in the Cayman Islands) and is entitled to receive performance-based compensation from each applicable MIG Fund that is subject to this kind of compensation arrangement pursuant to its Governing Documents. The payment of performance-based compensation creates a conflict of interest. As discussed in **Item 6** above, MIG has established policies and procedures addressing the allocation of investment opportunities among its Clients.

**MIG Private Equity, LLC; MIG Real Estate, LLC; Dover Asset Advisors, LLC.** Each of MIG Private Equity, LLC ("**MIG Private Equity**"), MIG Real Estate, LLC ("**MIG Real Estate**") and Dover Asset Advisors, LLC ("**Dover**") is a Delaware limited liability company affiliated with MIG. Each of MIG Private Equity and Dover is engaged solely in the business of providing investment advisory services to "family clients", as that term is defined under the Advisers Act, generally in relation to different types of investments. MIG Real Estate is engaged solely in the business of real estate investments. Richard Merage, Paul Merage and Greg Merage, who have direct and indirect control of MIG, each also hold indirect interests in each of MIG Private Equity, MIG Real Estate, and Dover, and provide certain services to each of such entities. MIG Private Equity and MIG Real Estate do not provide advice with respect to any of the same types of investments in which the MIG Funds invest. To the extent that Dover's clients pursue certain investment objectives and strategies that are similar to or otherwise consistent with the investment objectives and strategies of certain MIG Funds, then generally Dover will, to the extent practicable, direct such clients to invest in the applicable MIG Funds rather than making competing investments in the same underlying securities. In addition, as a means of addressing certain conflicts that may arise in connection with the activities described above, investors in the Feeder Funds are also provided with certain rights in the event that Richard Merage (the Chief Executive Officer of MIG) is no longer actively involved for a specified period of time in the management of the MIG Master Fund and the Feeder Funds, as further described in such MIG Funds' Governing Documents. The trusts that are the

principal owners of MIG also each have substantial ownership interests in each of MIG Private Equity, MIG Real Estate and Dover.

**Certain Conflicts of Interest.**

MIG's Clients are subject to a number of actual and potential conflicts of interest involving MIG, the General Partner and their respective affiliates (the "**MIG Group**"). Certain inherent conflicts of interest arise from the fact that MIG provides investment management services to each of the Clients, and MIG and other members of the MIG Group also engage in numerous other investment activities (including for other clients, and for the benefit of the Merage family), in which no other Client will have any interest (such other investment activities and funds, "**Other Accounts**"). The respective investment programs of any particular Client and any Other Accounts may or may not be substantially similar. MIG may give advice and recommend securities to Clients and/or Other Accounts which may differ from advice given to, or securities recommended or bought for, any other Client, even though their investment objectives may be the same or similar. For the avoidance of doubt, such Other Accounts include Merage family and charitable foundation vehicles, including funds and/or accounts that may be invested in positions opposing or competing with one or more Clients. Currently, members of the MIG Group and the Merage family (including trusts established by members of the Merage family) have, directly or indirectly, contributed a substantial portion of the capital in the MIG Master Fund and substantially all of the capital in the MIG Venture Capital Fund.

Conflicts of interest may arise as a result of investment decisions concerning the allocation or purchase of securities eligible for purchase among one or more Clients and other Clients or Other Accounts. It is the policy of MIG to allocate investment opportunities fairly and equitably over time. This means that such opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, other considerations, which typically include (a) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (b) the potential for the proposed investment to create an imbalance in the account's portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (f) the need to re-size risk in the account's portfolio. Such considerations may result in allocations among the Clients and/or one or more Other Accounts on other than a *pari passu* basis. In certain circumstances, investment opportunities will be allocated *solely* to the Clients or Other Account with respect to which the opportunity has been generated.

MIG or one of its affiliates may, in the future, establish one or more funds that focus on a sub-investment strategy of one of the current MIG Funds (a "Strategy Fund"). For example, the MIG Master Fund pursues a long/short investment strategy and a Strategy Fund may be established to focus only on long investments that may have substantial overlap with the long investments in the MIG Master Fund. Conflicts of interest may arise as a result of investment decisions concerning the allocation or purchase of securities eligible for purchase among the Strategy Fund and the MIG Master Fund. If such a Strategy Fund is launched, opportunities may be allocated between the Strategy Fund and the MIG

Master Fund based on the relative net asset value of each Fund or other measure that in the judgment of MIG is fair over time.

MIG and its principals will devote to the Clients as much time as MIG deems necessary and appropriate to manage the Clients' business. Future activities of the MIG Group, including the establishment of other investment funds and/or accounts, may give rise to additional conflicts of interest. MIG and the General Partner and their members, officers, personnel and affiliates are not restricted from forming additional investment funds and/or accounts, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with one or more Clients and/or may involve commitment of substantial time and resources of MIG, the General Partner or any of their affiliates. These relationships could be viewed as creating a conflict of interest in that the time and effort of MIG, the General Partner and their members, officers, personnel and affiliates will not be devoted exclusively to the business of any particular MIG Fund, but will be allocated between the business of the various Clients and the management of the monies of the Other Accounts and any other advisees of MIG and/or General Partner.

A MIG Fund may incur an expense that also benefits another MIG Fund or MIG itself. If a MIG Fund incurs such an expense, an identifiable portion of which is not incurred solely because of the activity of that MIG Fund, MIG will allocate that expense between or among MIG Funds (or between a MIG Fund and MIG) that benefit from the expense. The allocations are expected to be based on relative net asset value or another measure that in the judgment of MIG is fair over time. These measures may be estimates or approximations of relative benefit and may be based on MIG's judgments.

It is noted that with respect to the MIG Master Fund, the General Partner will seek the review and approval of the MIG Master Fund's Advisory Board for certain actions that the MIG Master Fund desires to undertake, as set forth in the MIG Master Fund's Governing Documents, including, for example, approving any material conflicts of interests, approving suspensions of withdrawals or the payment of withdrawal proceeds and approving any changes in the MIG Master Fund's fund administrator or auditor.

**D. Recommendation of Other Investment Advisors**

MIG does not recommend or select other investment advisers for its Clients.

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

**A. Code of Ethics**

MIG has adopted a Code of Ethics (the “**Code**”) which is included in its Compliance Manual. This obligates all of MIG’s members, officers and employees to put the interests of MIG’s Clients before their own personal interests. The Code has been designed to comply with standards set forth by Rule 204A-1 under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

Under the Code, MIG’s members, officers and employees are required to disclose their securities holdings and business activities. Trading in certain securities in personal accounts of MIG staff is subject to preclearance by the Chief Compliance Officer or his designee. Trading in employee accounts is reviewed by the Chief Compliance Officer or his designee. Clients and prospective Clients may obtain a copy of the Code by calling (949) 474-5800 or emailing [ir@migcap.com](mailto:ir@migcap.com).

MIG maintains a restricted list which is composed of companies whose securities are subject to certain trading prohibitions due to MIG’s business activities. All accounts and all personal trading accounts are prohibited from investing in securities on the restricted list without prior approval from the Chief Compliance Officer.

**B. Purchases and Sales of Securities in which MIG has a Material Financial Interest**

Members of the MIG Group may invest or cause their clients to invest in one or more of the MIG Funds, and in some cases, members of the MIG Group and the Merage family (including trusts established by members of the Merage family) have, directly or indirectly, contributed all or a substantial portion of the capital in the MIG Master Fund and in other MIG Funds.

**C. Purchases and Sales of Securities by Clients and MIG and/or its Affiliates**

MIG’s partners, employees or other related persons generally may not purchase or sell securities or interests in which the MIG Funds invest. MIG has established policies and procedures which require prior approval of certain personal trades of MIG’s staff, subject to applicable law, blackout periods and post trade review to reduce the risk of front running. All MIG staff must confirm their compliance with these policies and procedures annually.

**D. Purchases and Sales of Securities by Clients and MIG and/or its Affiliates at the Same Time**

See Item 11.C.



## **Item 12. Brokerage Practices**

### **A. Brokerage**

MIG has complete discretion in deciding what brokers and dealers the MIG Funds will use, and in negotiating the rates of brokerage commissions and other compensation the MIG Funds will pay. The MIG Funds use brokers in their securities trading activities. The MIG Funds are expected to buy and sell securities directly from or to dealers acting as principal at prices that include markups or markdowns and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Portfolio transactions for the MIG Funds will be allocated to brokers and dealers on the basis of seeking best execution and in consideration of relevant factors determined by MIG, which may include but are not limited to, price quotes; the size of the transaction and ability to find liquidity; the broker-dealer's promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the MIG Funds seek to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's financial stability; reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for MIG; the quality and usefulness of research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by MIG. MIG need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

MIG has developed a list of approved brokers, which shall be reviewed and approved by MIG's Compliance Committee on no less than an annual basis.

MIG's portfolio managers will periodically review the brokers appearing on the Approved Broker List throughout the year, with the goal of reviewing each broker at least once annually.

### **B. Research and Other Soft Dollar Benefits**

MIG has adopted policies and procedures regarding the use of soft dollar arrangements. The use of commissions or "soft dollars" if any, generated by a MIG Fund through agency and certain riskless principal transactions to pay for brokerage- and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), brokerage- and research-related products or services obtained with soft dollars generated by a MIG Fund may be used by MIG to service accounts other than the MIG Fund that generated the soft dollars. Currently, all or substantially all of the soft dollars used by MIG are generated by the trading activities of the MIG Master Fund, but may be used to service accounts other than the MIG Master

Fund. MIG generally seeks to allocate soft dollar benefits to the specific MIG Fund that paid for such benefits. However, research services received may be used to service other MIG Funds to the extent MIG believes the research is of assistance to MIG in fulfilling its overall duty to its Clients. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to brokerage- and research-related products and services for the benefit of the account generating such soft dollars.

To the extent that MIG utilizes broker commissions to obtain research products and services that would otherwise be an expense of MIG, such use of commissions could be viewed as additional compensation to MIG, and MIG will receive a benefit because it does not have to produce or pay for such research or other products or services. This creates a potential conflict of interest between MIG's fiduciary duty to operate the MIG Funds in the best interest of the investors therein and MIG's desire to receive such research products and services. As a result of receiving such products or services, MIG has an incentive to select and recommend, and to use and continue to use, such brokers and dealers to effect transactions for the MIG Funds so long as such brokers and dealers continue to provide such soft dollar credits to MIG, rather than based on the MIG Funds' interest in receiving most favorable execution of their securities transactions. As a result, MIG causes the MIG Funds to pay commissions (or markups or markdowns) higher than those charged by other brokers and dealers, or to accept lower prices for the sale of securities, in return for soft dollar benefits (known as paying-up), and MIG is authorized to do so if MIG determines that such commissions (or markups or markdowns) are reasonable in relation to the overall services provided. In any instance in which MIG receives soft dollar benefits, a MIG Fund may pay commissions to the relevant broker which are greater than the amount another broker might charge for the same transaction, but MIG will only do so if it determines in good faith that such amount of commissions is reasonable in relation to the value of the brokerage, products, research and other services provided by such broker.

Brokerage- and research-related goods and services provided by brokers and dealers through which portfolio transactions for the MIG Funds are executed, settled and cleared may include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to MIG in the performance of its investment decision making responsibilities on behalf of the MIG Funds (collectively, "**soft dollar items**"). During MIG's last fiscal year, MIG used "soft dollars" generated by the MIG Funds to pay for certain products and services, including research management software, access to certain experts, newsletters, access to databases and other services providing market data, news, research and analysis, market quotation services, and access to an execution management system.

Soft dollar items are provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the MIG Funds, with credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange-traded agency transactions. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various

services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for a MIG Fund because it has not been identified as providing soft dollar items.

Brokerage for Client Referrals. MIG does not consider client referrals in selecting or recommending broker-dealers. From time to time, prime brokers may assist the MIG Funds in raising additional funds from investors, and representatives of MIG may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such “capital introduction” events, prospective investors in a MIG Fund would have the opportunity to meet with MIG. Currently, neither MIG nor any of the MIG Funds compensates any broker for organizing such events or for any investments ultimately made by prospective investors attending such events, nor do they anticipate doing so in the future. While such events and other services provided by a prime broker may influence MIG in deciding whether to use such broker in connection with brokerage, financing and other activities of the MIG Funds, MIG will not commit to allocate a particular amount of brokerage to a broker in any such situation. To the extent MIG receives such services, conflicts will exist between MIG’s interests and the interests of the relevant MIG Fund(s), including that MIG may have an incentive to select a prime broker or broker based on MIG’s interest in receiving client referrals, rather than on a MIG Fund’s interest in receiving most favorable execution. MIG mitigates that conflict by adhering to best execution procedures. MIG believes that the rates of compensation paid to the prime brokers by the MIG Funds are reasonable and competitive with rates charged by other prime brokers for services of comparable quality.

### **C. Directed Brokerage**

As a general matter, MIG does not enter into direct brokerage arrangements and MIG does not anticipate that any of its Clients will request directed brokerage arrangements.

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

#### **A. Account Review**

MIG's Operations Committee monitor each MIG Fund's portfolio as a whole with respect to compliance with (i) the investment strategy, process and any restrictions set forth in such MIG Fund's Governing Documents and (ii) risk parameters and controls established from time to time by the Operations Committee. Reviews by the Operations Committee and other MIG personnel related to trade activity, portfolio profit and loss, exposure and attribution reporting are performed on a daily or weekly basis as applicable, while more general overviews are performed on a monthly and quarterly basis. In addition, to the extent that any of the MIG Funds at any time have overlapping investment strategies and/or, in accordance with their investment objectives and strategies, seek to invest in the same types of securities, the Chief Compliance Officer shall periodically review the allocation of securities among such MIG Funds to seek to ensure that no accounts are favored in the allocation process. MIG's Operations Committee, consisting of the Chief Compliance Officer and senior members of the investment, trading and operations teams, will also meet periodically to review the MIG Funds' portfolios and to assess portfolio and certain other risks. The composition of the Operations Committee may change from time to time.

#### **B. Factors that Trigger an Account Review**

Not applicable.

#### **C. Account Statements**

MIG currently provides investors in each of the Feeder Funds with written unaudited performance information on a monthly basis. In addition, investors in each Feeder Fund will also receive certain market outlook reports on a quarterly basis.

Investors in each MIG Fund will also receive audited annual financial statements with respect to such MIG Fund following the end of each fiscal year. Moreover, investors in the MIG Funds may receive certain additional information upon request, as set forth in the applicable investor's or MIG Fund's documentation or otherwise agreed with MIG.

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

**A. Benefits from Others for Providing Investment Advice**

MIG does not receive any economic benefits from non-clients for providing investment advice or other advisory services to Clients.

**B. Client Referrals**

MIG does not currently, directly or indirectly, compensate any person for client referrals. There will be no sales charges payable to the MIG Funds or to MIG in connection with the offering or sale of interests or shares in any of the MIG Funds. However, MIG has entered into an arrangement with a placement agent to solicit investors in the MIG Master Fund, and may enter into arrangements with additional placement agents in the future. Such arrangements provide for the compensation of such placement agents for their services at MIG's expense, on a fully disclosed basis (including with respect to the compensation to be paid to such placement agent) and pursuant to Rule 206(4)-3 under the Advisers Act.

**Item 15. Custody**

MIG is considered to have custody of the securities and cash of the MIG Funds. The prime brokers of the MIG Master Fund will generally maintain custody of securities and cash, although in certain instances other brokers that execute transactions for such MIG Funds' will maintain custody of such MIG Funds' assets. In addition, each Feeder Fund maintains an escrow account with a custodian that is used to process periodic cash flows related to subscription and redemptions or withdrawals of interests in such Feeder Fund. MIG does not use a qualified custodian to send quarterly account statements directly to the investors in the MIG Funds. Each MIG Fund managed by MIG will provide audited financial statements to its investors within 120 days following the end of its fiscal year.

**Item 16. Investment Discretion**

MIG has discretionary authority to manage securities accounts on behalf of each MIG Fund, pursuant to an investment management agreement applicable to each such MIG Fund and to which MIG is a party. These agreements include an explicit grant of discretionary authority to manage the applicable MIG Fund's assets. There are no specific limitations placed on this authority, provided that we will exercise our discretionary authority in accordance with the investment objectives, strategies, policies and applicable limitations, if any, set forth in applicable Governing Documents of each MIG Fund.

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

### **A. Proxy Voting Authority**

MIG has adopted proxy voting policies and procedures with respect to voting proxies on behalf of its Clients. MIG utilizes Institutional Shareholder Services (“ISS”), a third party proxy voting service, to assist it in analyzing and voting proxies with respect to publicly-traded securities for the MIG Funds.

If MIG becomes aware of any potential conflict of interest arising with respect to a proxy voting matter, including with respect to any such matter referred to MIG’s attention by ISS, then MIG’s Chief Compliance Officer and the relevant portfolio manager for the MIG Fund entitled to vote on the matter will review the relevant matters in advance to seek to ensure that MIG’s proposed votes are in the best interests of its Clients, and are not prompted by any conflict of interest. The Chief Compliance Officer may, in his discretion, elect to elevate any such proxy voting matter to MIG’s Chief Executive Officer and/or MIG’s Operations Committee for review.

A holder of any interest in a MIG Fund may request a copy of ISS’s Proxy Voting Policies and MIG’s Proxy Voting Policies and Procedures, as well as information about how MIG voted any MIG Fund’s proxies, by contacting the Chief Compliance Officer by calling (949) 474-5800 or emailing [ir@migcap.com](mailto:ir@migcap.com).

### **B. Limits on Proxy Voting Authority**

Not applicable.



**Item 18. Financial Information**

**A. Prepayment of Fees**

MIG does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**B. Financial Impairment**

MIG is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients.

**C. Bankruptcy Petition**

MIG has not been the subject of any bankruptcy petition.

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

Not applicable.