

**ITEM 1**  
**COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

**THE TOKARZ GROUP ADVISERS LLC**

*March 5, 2021*

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*This brochure (this “Brochure”) provides information about the qualifications and business practices of The Tokarz Group Advisers LLC (the “Investment Adviser”). If you have any questions about the contents of this Brochure, please contact us at 914-701-0310. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.*

*The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

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

**ITEM 2**  
**MATERIAL CHANGES**

This Brochure is dated March 5, 2021 and is the annual updating amendment to the Investment Adviser's prior brochure dated March 26, 2020.

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm.**

The Investment Adviser commenced operations in 2006 and has its principal office in Purchase, New York, with additional offices in Chicago, Illinois, and Cincinnati, Ohio. Michael Tokarz is the principal owner of the Investment Adviser, owning more than 75% of the Investment Adviser through TTG Investment Advisers, Inc., which is 100% owned by Mr. Tokarz.

#### **B. Description of Advisory Services.**

##### **1. Advisory Services.**

The Investment Adviser served as the investment adviser to a registered investment company, MVC Capital, Inc. (“MVC”), a Delaware corporation that has elected, pursuant to Section 54 of the Investment Company Act of 1940 (the “1940 Act”), to be regulated as a business development company until it was merged into Barings BDC, Inc (NYSE:BBDC), another registered investment company. The Investment Adviser continues to provide its portfolio management services to a private pooled investment vehicle, MVC Private Equity Fund, L.P., the securities of which were offered to investors on a private placement basis (the “PE Fund”) and TTGA C-I MMF LP, a fund owned primarily by two affiliated insurance companies (the “Insurance Fund” and collectively with the PE Fund, the “Funds”). As used herein, the term “client” generally refers to the Funds. The Investment Adviser may provide portfolio management services to additional private pooled investment vehicles in the future.

The Investment Adviser managed MVC through most of calendar 2020. MVC was a business development company, and the Investment Adviser or its affiliates may in the future manage additional business development companies and/or registered closed-end funds, which are subject to regulation under the 1940 Act (each, a “Regulated Fund”). A Regulated Fund may have investment objectives and strategies similar to those of the Investment Adviser’s other clients.

Additionally, Mr. Tokarz is a co-founder and serves on the investment team of PPC Enterprises LLC (“PPC”), an SEC registered investment adviser that provides advisory services to Series A of Public Pension Capital, LLC, a private equity fund, and its alternative investment vehicle(s) (collectively, the “PPC Fund”). Mr. Tokarz provides investment advisory services to assist PPC in its management of the PPC Fund.

Pursuant to a shared services agreement between the Investment Adviser and PPC (the “Shared Services Agreement”), personnel of the Investment Adviser provide investment advisory services to the PPC Fund and certain administrative services to PPC as needed. In connection with this arrangement, certain of PPC’s principals and other PPC- employed investment professionals may make themselves available, from time to time, to consult with the Investment Adviser on investment matters relating to the Funds. (See ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.) Certain employees of PPC are considered “associated persons” of the Investment Adviser when providing certain services on behalf of the Investment Adviser and, in this capacity, are subject to the Investment Adviser’s oversight and supervision. Likewise, certain employees of the Investment Adviser are “associated

persons” of PPC when providing certain services on behalf of PPC and, in this capacity, are subject to PPC’s oversight and supervision.

Except as described in the Shared Services Agreement, the business of PPC and the PPC Fund is distinct and separate from that of the Investment Adviser and the Funds, and for purposes of this Brochure, references to the “Investment Adviser”, the “Funds” and “clients” do not include PPC and the PPC Fund.

*This Brochure generally includes information about the Investment Adviser and its relationships with its clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only.*

## 2. Investment Strategies and Types of Investments.

In connection with its management of the Funds, the Investment Adviser primarily provides advice regarding debt investments (including senior and subordinated loans) and “private equity” investment transactions (including investments in private equity limited partnerships). The PE Fund focuses on privately negotiated equity and equity-related investments in a wide range of companies in the lower middle-market. It is possible that co-investments might happen, and one or more additional private pooled investment vehicles might be formed in the future, subject to an investment allocation policy to be implemented. The Insurance Fund was formed for the primary purpose of co-investing with MVC, subject to the Investment Adviser’s compliance with the stated terms and conditions of the Order. No additional co-investments between MVC and the Insurance Fund will occur.

The Investment Adviser does not, as part of its normal business practice, offer investment advice pertaining to non-control positions in exchange-listed securities and securities traded over-the-counter. In certain instances (e.g., awaiting the deployment of capital into new portfolio investments, after the conversion of privately placed, restricted securities, or the effectiveness of a registration statement with regard to formerly restricted securities), the Funds may hold exchange-traded securities in their portfolios. In such instances, the Investment Adviser may provide advice to the Funds with regard to the disposition of exchange-listed securities or over-the-counter securities.

*The descriptions set forth in this Brochure of specific advisory services that the Investment Adviser offers to clients, and investment strategies pursued and investments made by the Investment Adviser on behalf of its clients, should not be understood to limit in any way the Investment Adviser’s investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Adviser considers appropriate, subject to each client’s investment objectives and guidelines. The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.*

### C. Availability of Customized Services for Clients.

The Investment Adviser’s investment decisions and advice with respect to each Fund are subject to such Fund’s investment objectives and guidelines, as set forth in its offering documents.

D. Assets Under Management.

The Investment Adviser manages approximately \$13.4 million on a discretionary basis, which is comprised of the gross assets and undrawn capital commitments of the Insurance Fund. The Investment Adviser manages the PE Fund on a non-discretionary basis, subject to oversight and approval by the General Partner of the PE Fund (now owned by Barings BDC, Inc., in its discretion). As of December 31, 2020, the gross assets and undrawn capital of the PE Fund was \$70.6M.

## **ITEM 5**

### **FEES AND COMPENSATION**

#### **A. Advisory Fees and Compensation.**

The fees applicable to the PE Fund and the Insurance Fund are set forth in their respective offering documents. A brief summary of such fees is provided below.

##### **1. PE Fund**

For services provided to the PE Fund under the Portfolio Management Agreement between the PE Fund and the Investment Adviser, the Investment Adviser is entitled to receive the balance of the fees and any carried interest generated by the PE Fund and not retained by the PE Fund's general partner (the "GP") and a subsidiary of Barings BDC, Inc. (the GP and such subsidiary of Barings BDC, Inc. are entitled to receive 25% of all management fees paid by the PE Fund and up to 30% of the carried interest generated by the PE Fund).

##### **2. Insurance Fund**

For services provided to the Insurance Fund under the Management Agreement by and among the Insurance Fund, TTGA C-I MMF GP LLC, the general partner of the Insurance Fund and an affiliate of the Investment Adviser, and the Investment Adviser, the Investment Adviser is entitled to receive a management fee equal to 1% of (i) prior to the second anniversary of the Insurance Fund's initial closing, each limited partner's capital commitments that are drawn and invested in portfolio investments and (ii) following such anniversary, each limited partner's pro rata share of net invested capital of the Insurance Fund. Under the terms of the Second Amended and Restated Agreement of Limited Partnership of the Insurance Fund, dated as of January 2, 2020, as may be amended and/or restated from time to time, TTGA C-I MMF GP LLC is entitled to a performance allocation. The Insurance Fund has completed its investment period.

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

The fees and carried interest paid to the Investment Adviser by the PE Fund are due when such fees and carried interest are paid to the GP. Management fees payable to the Investment Adviser by the Insurance Fund are taken either directly from the capital accounts of such limited partners or through capital call drawdowns and are reduced by the amount of any transaction fees received by the Investment Adviser with respect to the Insurance Fund.

#### **C. Additional Fees and Expenses.**

Each of the Investment Adviser's clients generally bears its own expenses and these expenses are set forth in the governing document of each client.

#### **D. Additional Compensation and Conflicts of Interest.**

Neither the Investment Adviser nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.



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

The Investment Adviser or an affiliate thereof accepts performance-based fees or allocations from the Funds. In addition, in consideration for services provided to PPC and the PPC Fund pursuant to the Shared Services Agreement, certain personnel of the Investment Adviser may receive, on an individual basis, an allocation from the PPC Fund's managing member (in its complete discretion) of a portion of the carried interest in respect of the managing member's interest in the PPC Fund. While the possibility of carried interest allocations from the managing member's interest in the PPC Fund to certain Investment Adviser personnel could appear to create a potential incentive for such Investment Adviser personnel to favor the PPC Fund over the Funds if it would result in higher compensation to them, the investment focuses of the Funds and the PPC Fund do not overlap, and the Investment Adviser has adopted an allocation policy to mitigate such conflicts. (See ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.)

**ITEM 7**  
**TYPES OF CLIENTS**

The Investment Adviser generally provides investment advice to the Funds, as described above.

## **ITEM 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

*The descriptions set forth in this Brochure of specific advisory services that the Investment Adviser offers to clients, and investment strategies pursued and investments made by the Investment Adviser on behalf of its clients, should not be understood to limit in any way the Investment Adviser's investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including those not described in this Brochure, that the Investment Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.*

On behalf of its clients, the Investment Adviser seeks to make a broad range of private investments in a variety of industries. The investments can include common and preferred stock, other forms of equity interests and warrants or rights to acquire equity interests, senior and subordinated loans, or convertible securities. These portfolio company investments are typically illiquid and are made through privately negotiated transactions.

Prospective investments are evaluated by the investment team based upon criteria that may be modified from time to time. The criteria currently being used in determining whether to make an investment in a prospective portfolio company include, but are not limited to, the team's view of:

- Opportunity to revitalize and redirect a company's resources and strategy;
- Stable free cash flow of the business;
- Businesses with secure market niches and predictable profit margins;
- The presence or availability of highly qualified management teams;
- The line of products or services offered and their market potential;
- The presence of a sustainable competitive advantage; and
- Favorable industry and competitive dynamics.

#### **B. Material, Significant or Unusual Risks Relating to Investment Strategies.**

*The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by the Investment Adviser. These risk factors include only those risks the Investment Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Investment Adviser.*

***Investing in private companies involves a high degree of risk.***

Our investment portfolio generally consists of loans to, and investments in, private companies. Investments in private businesses involve a high degree of business and financial risk, which can result in substantial losses and, accordingly, should be considered speculative. There is generally very little publicly available information about the companies in which we invest, and we rely significantly on the due diligence of the members of the investment team to obtain information in connection with our investment decisions. It is thus difficult, and often impossible, to protect from the risk of fraud, misrepresentation or poor judgment by these companies.

***Public health crises may have an impact on investments.***

A recent outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and has now been detected internationally. This coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in developing or emerging market countries may be greater due to less established health care systems. Health crises caused by the recent coronavirus outbreak may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of the outbreak may be short term or may last for an extended period of time.

***Our investments in portfolio companies are generally illiquid.***

We generally acquire our investments directly from the issuer in privately negotiated transactions. Most of the investments in our portfolio (other than cash or cash equivalents) are typically subject to restrictions on resale or otherwise have no established trading market. We may exit our investments when the portfolio company has a liquidity event, such as a sale, recapitalization or initial public offering. The illiquidity of our investments may adversely affect our ability to dispose of equity and debt securities at times when it may be otherwise advantageous for us to liquidate such investments. In addition, if we were forced to immediately liquidate some or all of the investments in the portfolio, the proceeds of such liquidation could be significantly less than the current value of such investments.

***Our investments in small and middle-market privately-held companies are extremely risky and a Fund could lose its entire investment.***

Investments in small and middle-market privately-held companies are subject to a number of significant risks including the following:

- Small and middle-market companies may have limited financial resources and may not be able to repay the loans we make to them. Our strategy includes providing financing to companies that typically do not have capital sources readily available to them. While we believe that this provides an attractive opportunity for us to generate profits, this may make it difficult for the borrowers to repay their loans to us upon maturity.
- Small and middle-market companies typically have narrower product lines and smaller market shares than large companies. Because our target companies are smaller

businesses, they may be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. In addition, smaller companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

- There is generally little or no publicly available information about these privately-held companies. There is generally little or no publicly available operating and financial information about privately-held companies. As a result, we rely on our investment professionals to perform due diligence investigations of these privately-held companies, their operations and their prospects. We may not learn all of the material information we need to know regarding these companies through our investigations. It is difficult, if not impossible, to protect a Fund from the risk of fraud, misrepresentation or poor judgment by our portfolio companies. Accordingly, a Fund's performance (including the valuation of its investments) is subject to the ongoing risk that the portfolio companies or their employees, agents, or service providers, may commit fraud adversely affecting the value of a Fund's investments.
- Small and middle-market companies generally have less predictable operating results. We expect that our portfolio companies may have significant variations in their operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, finance expansion or maintain their competitive position, may otherwise have a weak financial position or may be adversely affected by changes in the business cycle. Our portfolio companies may not meet net income, cash flow and other coverage tests typically imposed by their senior lenders.
- Small and middle-market businesses are more likely to be dependent on one or two persons. Typically, the success of a small or middle-market company also depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us.
- Small and middle-market companies are likely to have greater exposure to economic downturns than larger companies. We expect that our portfolio companies will have fewer resources than larger businesses and an economic downturn may thus more likely have a material adverse effect on them.
- Small and middle-market companies may have limited operating histories. We may make debt or equity investments in new companies that meet our investment criteria. Portfolio companies with limited operating histories are exposed to the operating risks that new businesses face and may be particularly susceptible to, among other risks, market downturns, competitive pressures and the departure of key executive officers.

***Our borrowers may default on their payments, which may have an effect on our financial performance.***

We may make long-term unsecured, subordinated loans, which may involve a higher degree of repayment risk than conventional secured loans. We primarily invest in

companies that may have limited financial resources and that may be unable to obtain financing from traditional sources. In addition, numerous factors may adversely affect a portfolio company's ability to repay a loan we make to it, including the failure to meet a business plan, a downturn in its industry or operating results, or negative economic conditions. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in any related collateral.

***Our investments in mezzanine and other debt securities may involve significant risks.***

Our investment strategy contemplates investments in mezzanine and other debt securities of privately held companies. "Mezzanine" investments typically are structured as subordinated loans (with or without warrants) that carry a fixed rate of interest. We may also make senior secured and other types of loans or debt investments. Our debt investments are not, and typically will not be, rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade quality (rated lower than "Baa3" by Moody's or lower than "BBB-" by Standard & Poor's, commonly referred to as "junk bonds"). Loans of below investment grade quality have predominantly speculative characteristics with respect to the borrower's capacity to pay interest and repay principal. Our debt investments in portfolio companies may thus result in a high level of risk and volatility and/or loss of principal.

***Our portfolio companies may be highly leveraged.***

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair such companies' ability to finance their future operations and capital needs. As a result, the flexibility of these companies' to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

***When we are a debt or minority equity investor in a portfolio company, we may not be in a position to control the entity, and management of the company may make decisions that could decrease the value of our portfolio holdings.***

We anticipate making debt and minority equity investments; therefore, we will be subject to the risk that a portfolio company may make business decisions with which we disagree, and the shareholders and management of such company may take risks or otherwise act in ways that do not serve our interests. Due to the lack of liquidity in the markets for our investments in privately held companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings.

***Investments in foreign debt or equity may involve significant risks in addition to the risks inherent in U.S. investments.***

Our investment strategy has resulted in some investments in debt or equity of foreign companies (subject to applicable limits prescribed by the 1940 Act), including investments in companies located in developing and emerging markets. Investing in foreign companies can expose us to additional risks not typically associated with investing in U.S. companies. These risks include exchange rates, changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available

information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. A portion of our investments are located in countries that use the euro, the Czech KARUNA, the Romanian RON as their official currency. The USD/euro exchange rate, like foreign exchange rates in general, can be volatile and difficult to predict. This volatility could materially and adversely affect the value of the Company's shares and our interests in affected portfolio companies.

***We may choose to waive or defer enforcement of covenants in the debt securities held in our portfolio, which may cause us to lose all or part of our investment in these companies.***

Some of our loans to our portfolio companies may be structured to include customary business and financial covenants placing affirmative and negative obligations on the operation of each company's business and its financial condition. However, from time to time, we may elect to waive breaches of these covenants, including our right to payment, or waive or defer enforcement of remedies, such as acceleration of obligations or foreclosure on collateral, depending upon the financial condition and prospects of the particular portfolio company. These actions may reduce the likelihood of our receiving the full amount of future payments of interest or principal and be accompanied by a deterioration in the value of the underlying collateral as many of these companies may have limited financial resources, may be unable to meet future obligations and may go bankrupt. This could negatively impact our ability to pay dividends and cause you to lose all or part of your investment.

***Our portfolio companies may incur obligations that rank equally with, or senior to, our investments in such companies. As a result, the holders of such obligations may be entitled to payments of principal or interest prior to us, preventing us from obtaining the full value of our investment in the event of an insolvency, liquidation, dissolution, reorganization, acquisition, merger or bankruptcy of the relevant portfolio company.***

Our portfolio companies may have other obligations that rank equally with, or senior to, the securities in which we invest. By their terms, such other securities may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in the relevant portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying investors that are more senior than us, the portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of other securities ranking equally with securities in which we invest, we would have to share on an equal basis any distributions with other investors holding such securities in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. As a result, we may be prevented from obtaining the full value of our investment in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

***Hedging transactions may expose us to additional risks.***

We may enter into hedging transactions to seek to reduce currency, commodity or other rate risks. However, unanticipated changes in currency or other rates may result in poorer

overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek or be able to establish a perfect or effective correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies.

***Investing in our securities may involve a high degree of risk.***

The investments we make in accordance with our clients' investment objectives may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive, and therefore, may not be suitable for someone with a low risk tolerance.



**ITEM 9**  
**DISCIPLINARY INFORMATION**

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

## **ITEM 10**

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **A. Broker-Dealer Registration Status.**

The Investment Adviser is not registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer.

#### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.**

The Investment Adviser and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

#### **C. Outside Business Activities and Material Conflicts of Interest Relating Thereto.**

As discussed in ITEM 4 — ADVISORY BUSINESS, Mr. Tokarz is also a co-founder of PPC, a registered investment adviser that provides advisory services to the PPC Fund. After fulfilling his obligations to the Funds, Mr. Tokarz will focus a substantial portion of his business time on the PPC Fund, while certain of PPC's principals and other PPC investment professionals may make themselves available, from time to time, to consult with the Investment Adviser on investment matters relating to the Funds.

Pursuant to the Shared Services Agreement between the Investment Adviser and PPC: (i) the Investment Adviser makes available to PPC certain investment professionals that are employed by the Investment Adviser to the extent necessary or appropriate (including to the extent consistent with the Investment Adviser's obligations to the Funds) for PPC and the Investment Adviser's investment professionals to provide to PPC and the PPC Fund the services contemplated by the PPC Fund's offering materials; (ii) PPC will allow the Investment Adviser, from time to time, to use a portion of its office space for matters unrelated to the PPC Fund; and (iii) the Investment Adviser will provide certain administrative services to PPC to the extent appropriate (and consistent with the Investment Adviser's administrative obligations to the Funds). Under this arrangement, personnel that are employed by the Investment Adviser will continue to be employees of the Investment Adviser (and not PPC), and will continue to be compensated by the Investment Adviser (and not PPC); however, PPC expects the PPC Fund's managing member, in its total discretion, to allocate to certain investment professionals employed by the Investment Adviser (on an individual basis and in amounts to be determined by the PPC Fund's managing member) a portion of the carried interest in respect of the managing member's interest in the PPC Fund in consideration for their services to PPC and the PPC Fund. As consideration for the use by the Investment Adviser of PPC's office space for non-PPC Fund related matters, the Investment Adviser will pay PPC an amount determined by PPC and the Investment Adviser to be fair and reasonable based on the Investment Adviser's actual usage. Finally, as consideration for the Investment Adviser's provision of administrative services to PPC, at the end of PPC's fiscal year, PPC will pay to the Investment Adviser a fee equal to PPC's proportionate share of the Investment Adviser's actual costs in providing such administrative services, based on the time spent by any member of the Investment Adviser's administrative staff during PPC's fiscal year on PPC matters. In addition to the services provided under the Shared Services Agreement, certain of PPC's principals and other investment professionals employed by it may make themselves available, from time to time, to consult with the Investment Adviser on

investment matters relating to the Funds. Neither PPC nor such principals and other investment professionals will be compensated for these consultations.

As employees of the Investment Adviser, Mr. Tokarz and the investment professionals of the Investment Adviser have certain obligations to the Funds. The Investment Adviser does not believe that its obligations to PPC and the PPC Fund pursuant to the Shared Services Agreement will result in an impediment to, or conflict with, the obligations or ability of the Investment Adviser to refer appropriate deal flow to the Funds for a number of reasons.

First, the PPC Fund targets investments in companies that are expected to require, either at the time of the initial investment or over time, between \$25 million and \$100 million in aggregate equity capital from the PPC Fund. By contrast, the PE Fund, pursuant to its governing documents, may not, except with the approval of its LP Committee, invest more than \$20 million in any single portfolio company (and it has never requested a waiver of this limitation). Second, the PPC Fund will generally target companies with EBITDA in excess of \$25 million, whereas the PE Fund targets companies with EBITDA of less than \$25 million. The Insurance Fund is subject to investment guidelines and, in general, will comply with the debt investment guidelines to which MVC was formerly bound. The Insurance Fund and the PE Fund have completed their respective investment periods.

The involvement of Mr. Tokarz in the investment decisions of both the PPC Fund and the Funds may create a conflict of interest between the fiduciary duty he owes as an employee and manager of the Investment Adviser and the fiduciary duty he owes to the PPC Fund. Similar conflicts may arise due to certain investment professionals of the Investment Adviser and PPC providing investment advisory services to both the Funds and the PPC Fund. However, given the differing investment mandates of the Funds and the PPC Fund, as well as the fact that the Investment Adviser has adopted an allocation policy to mitigate such conflicts, the Investment Adviser does not believe that there will be any material conflicts of interest with respect to the allocation of investment opportunities between the Funds, on the one hand, and the PPC Fund, on the other hand. The Investment Adviser is focused on monitoring the allocation of investment opportunities in these contexts and endeavours to work with PPC and the GP, as appropriate, to resolve any conflict with respect to investment opportunities in a manner that it deems equitable under the circumstances, consistent with its fiduciary duties to the Funds.

Additionally, Mr. Tokarz currently serves on the corporate boards of several public and private companies. As a result of such service, as well as the involvement of Mr. Tokarz with PPC, the advisory services of the PPC Fund provided by certain of the Investment Adviser's other investment professionals described above and certain of PPC's principals and other PPC investment professionals making themselves available, from time to time, to consult with the Investment Adviser on investment matters relating to the Funds, personnel of the Investment Adviser may become aware, from time to time, of material, non-public information ("Inside Information") about a portfolio company or other company, or about other public companies affiliated with or that otherwise do business with such companies. Such knowledge of Inside Information may be attributed to the Investment Adviser and may create a conflict of interest between the portfolio company or other entity for which Inside Information is obtained and the Funds. The Investment Adviser monitors perceived and actual conflicts of interests arising from these relationships. The Investment Adviser's Code of Ethics (including its Insider Trading Policy) and related internal controls with respect to insider trading seek to prevent the potential misuse of such Inside Information. (See ITEM 11 — CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.)

PPC's investment professionals who provide services to the Investment Adviser are considered "access persons" of the Investment Adviser, as defined in Rule 204A-1 under the Advisers Act, and are subject to applicable provisions of the Investment Adviser's Code of Ethics. Further, when acting for the Investment Adviser or the Funds, they are subject to the provisions of, and will agree to comply with, the Investment Adviser's written compliance policies and procedures manual.

The Investment Adviser 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

The Investment Adviser strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Investment Adviser has adopted a Code of Ethics (the “Code”). The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Funds, including the Funds’ investors, must be kept confidential (unless otherwise permitted to be disclosed under a contractual arrangement or by law); and independence in the investment decision-making process must be maintained at all times. The Code also places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Investment Adviser on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Investors may request a copy of the Code by contacting the Investment Adviser at the address or telephone number listed on the first page of this document. In addition to these restrictions set forth in the Code, the Investment Adviser imposes restrictions relating to its and its Access Persons’ (as defined in the Code) use of Inside Information. These restrictions are set forth in the Investment Adviser’s written policies and procedures designed to prevent the misuse of Inside Information (the “Insider Trading Policies”), which are discussed further below. All of the Investment Adviser’s Access Persons are required to certify to their compliance with the Code and the Insider Trading Policies on a periodic basis.

The Investment Adviser’s Insider Trading Policies prohibit the Investment Adviser and its Access Persons from trading for the Funds or themselves, or recommend trading, in securities of a company while in possession of Inside Information about the company. The Insider Trading Policies also prohibit the Investment Adviser’s Access Persons from disclosing Inside Information to any person not entitled to receive it. By reason of its various activities, the Investment Adviser may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. Notwithstanding such policies and procedures, there may be certain cases where the Investment Adviser either may receive Inside Information due to its various activities on behalf of itself or the Funds or may be restricted in acting for the Funds, resulting in limited liquidity or using such information for the benefit of certain clients in specific securities. The Investment Adviser seeks to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

## ITEM 12 BROKERAGE PRACTICES

As discussed above, the Investment Adviser provides investment advice to its clients almost exclusively with regard to debt and private equity instruments. As such, the Investment Adviser generally does not use the services of a broker-dealer to effect transactions for the clients' portfolios. In the rare instances in which the Investment Adviser provides advice regarding transactions in exchange-listed securities or stocks traded in the over-the-counter markets (*e.g.*, when awaiting deployment of capital into portfolio investments or liquidating the Funds' positions in securities originally obtained by the Funds in a private placement that convert or otherwise become registered), the Investment Adviser will seek to obtain best execution for the Funds in selecting the broker(s) to be utilized and the commissions to be charged to the Funds. In accordance with this duty to obtain best execution for client transactions, the Investment Adviser maintains policies and procedures to review the quality of executions, which include periodic reviews by its investment professionals of the execution quality obtained for client transactions.

Soft Dollar Usage. The Investment Adviser generally does not utilize the services of a broker-dealer to effect transactions on behalf of the Funds. As a matter of policy, if the Investment Adviser engages in transactions on behalf of the Funds that require orders to be placed with a broker-dealer, the Investment Adviser will not use "soft dollar" commissions to obtain brokerage or research services on behalf of the Investment Adviser or the Funds.

Allocation and Aggregation Policies and Procedures. The Investment Adviser is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures to address the allocation of investment opportunities. Pursuant to the Shared Services Agreement with PPC, the Investment Adviser's personnel may refer to PPC and the PPC Fund any investment in a company that, at the time of acquisition, has EBITDA in excess of \$25 million or is expected to require, either at such time or over time, in excess of \$25 million in aggregate equity capital. The PE Fund has completed its investment period. The Insurance Fund has also completed its investment period. In addition, personal investments that fall outside of MVC's prior investment focus (*i.e.*, equity and loan investments ranging between \$3 million and \$25 million each and investments in companies with annual revenues of between \$10 and \$150 million and annual EBITDA of between \$3 and \$25 million) would only require pre-clearance by the Investment Adviser's Chief Compliance Officer and Manager. In the case of investments in private companies that are proposed to be made by the Manager or the Chief Compliance Officer personally, the approval of another senior level executive of the Investment Adviser would be required. (For a discussion regarding allocation of investment opportunities among the Funds and the PPC Fund, see ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.)

Although not currently expected, in the rare instances in which the Investment Adviser is placing orders for exchange-listed securities or securities traded in the over-the-counter markets, the Investment Adviser may aggregate orders, subject to the Investment Adviser's duty to obtain best execution. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for the Investment Adviser generally arise when more than one Fund and/or account is capable of purchasing or selling a particular security at the same time, and is currently unlikely to occur based on the investment strategies of the Funds. The Investment Adviser is not required to aggregate trades,

but it must disclose its policies and procedures, including, if applicable, the consequences of not aggregating trades. The Investment Adviser may aggregate client orders when doing so is expected to result in a better overall price for client trades. When an aggregated order is only partially filled, the Investment Adviser will allocate the investment opportunity or the partially filled order on a fair and equitable basis.

Trade Errors. As mentioned above, the Investment Adviser generally does not utilize the services of a broker-dealer to effect transactions on behalf of the Funds. Should any trade error(s) occur in the rare instances in which the Investment Adviser effects a transaction on behalf of the Funds using a broker-dealer, it is the Investment Adviser's policy that all such trade errors will be resolved in favor of the Fund with the Investment Adviser making the Fund (and any other clients, if applicable) whole for any loss or loss incurred as a result of the trade error(s).

**ITEM 13**  
**REVIEW OF ACCOUNTS**

The Investment Adviser performs various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. Such reviews are conducted by the investment professionals and senior executives of the Investment Adviser.

In general, each of the PE Fund and the Insurance Fund distributes annual audited financial statements to investors after the conclusion of each fiscal year-end.



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

A. Economic Benefits for Providing Services to Clients.

The Investment Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither the Investment Adviser nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

## **ITEM 15 CUSTODY**

The Investment Adviser is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Investment Adviser.

The Investment Adviser is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, the Investment Adviser need not comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund to the extent such Fund complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

**ITEM 16**  
**INVESTMENT DISCRETION**

The Investment Adviser serves as the management company with non-discretionary trading authority to the PE Fund, subject to the GP's oversight, and discretionary trading authority to the Insurance Fund. The Investment Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents. The Investment Adviser entered into (i) the Portfolio Management Agreement with the PE Fund, pursuant to which the Investment Adviser provides portfolio management services to the PE Fund, subject to the GP's oversight and (ii) the Management Agreement with the Insurance Fund and TTGA C-I MMF GP LLC, pursuant to which the Investment Adviser provides portfolio management services to the Insurance Fund.

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

Because the Investment Adviser will primarily invest the Funds' assets in private equity and debt instruments and the Investment Adviser generally will not invest Fund assets in registered securities, it is anticipated that the Investment Adviser generally will not receive proxy voting proposals on behalf of a Fund. In the rare instance where a Fund's portfolio contains registered securities and the Investment Adviser receives a proxy voting proposal with regard to such securities, the Investment Adviser's general policy is to vote such proxy proposals in a manner that serves the best interests of such Fund and all other clients, as determined by the Investment Adviser in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, the Investment Adviser may refrain from voting proxies where the Investment Adviser believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the relevant Fund. Further, with regard to amendments, consents or resolutions relating to interests in private investment funds held in a Fund's portfolio, the Investment Adviser will follow the general policy above of seeking to serve the best interests of its clients with respect to proxy voting proposals in connection with registered securities.

**ITEM 18**  
**FINANCIAL INFORMATION**

The Investment Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.