

ITEM 1 - COVER PAGE

BROCHURE
Form ADV Part 2A

VMG PARTNERS II, LLC

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This brochure provides information about the qualifications and business practices of VMG Partners II, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 632-4200 and/or eisenbarth@vmgpartners.com. 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.

Additional information about VMG Partners II, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

VMG Partners II, LLC’s status as an investment adviser registered with the SEC under the Advisers Act does not imply any level of skill or training.

ITEM 2 - MATERIAL CHANGES

No material changes have been made to this brochure since the last annual update, dated March 27, 2020.

VMG routinely makes changes throughout its brochure in an effort to improve and clarify the description of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices. Additional information can be found in VMG's Part 1A of Form ADV by visiting the SEC's website at www.adviserinfo.sec.gov.

We encourage all recipients to read this brochure carefully in its entirety.

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ITEM 4 - ADVISORY BUSINESS

A. Description of Advisory Firm

VMG Partners II, LLC, a Delaware limited liability company (“VMG”), formed in 2011, is a San Francisco, California-based private equity investment advisory firm that was formed to provide investors with the opportunity to generate long-term capital appreciation through private equity and equity related investments in small-to-medium-sized companies that deal in branded consumer products primarily in the United States and Canada and companies that deal in tech-enabled consumer products, services, experiences and marketplaces principally within North America. VMG currently provides investment advisory services to VMG Partners II, L.P., a Delaware limited partnership (together with any separate investment vehicles formed from time to time, “Fund II”), VMG Partners III, L.P., a Delaware limited partnership, and VMG Partners Mentors Circle III, L.P., a Delaware limited partnership (collectively and together with any of their respective separate investment vehicles formed from time to time, “Fund III”), VMG Partners IV, L.P., a Delaware limited partnership, VMG Partners IV Coinvest, L.P., a Delaware limited partnership (“Coinvest Fund”), and VMG Partners Mentors Circle IV, L.P. (collectively and together with any of their respective separate investment vehicles formed from time to time, “Fund IV”), and VMG Partners V, L.P., a Delaware limited partnership, and VMG Partners Mentors Circle V, L.P., a Delaware limited partnership (collectively and together with any of their respective separate investment vehicles formed from time to time, “Fund V” and together with Fund II, Fund III and Fund IV, the “Growth Funds”). VMG also provides investment advisory services to VMG Catalyst, L.P., a Delaware limited partnership (together with any separate investment vehicles formed from time to time, “Catalyst Fund”). In addition, VMG manages co-investment vehicles which invest alongside Fund II, Fund III and Fund IV. As used herein, “VMG Funds” refers to the Growth Funds, Catalyst Fund and any co-investment vehicles formed from time to time, together with subsequently sponsored funds and their related vehicles and co-investment vehicles formed from time to time, and any similar pooled investment vehicles formed or managed by VMG or its affiliates. The general partner of Fund II is VMG Partners II GP, L.P., a Delaware limited partnership (the “Fund II General Partner”), the general partner of Fund III is VMG Partners III GP, L.P., a Delaware limited partnership (the “Fund III General Partner”), the general partner of Fund IV is VMG Partners IV GP, L.P., a Delaware limited partnership (the “Fund IV General Partner”), the general partner of Fund V is VMG Partners V GP, L.P., a Delaware limited partnership (the “Fund V General Partner”), and the general partner of Catalyst Fund is VMG Catalyst GP, L.P., a Delaware limited partnership (the “Catalyst Fund General Partner”), and together with Fund II General Partner, Fund III General Partner, Fund IV General Partner, and Fund V General Partner, the “General Partners”). The General Partners and VMG are affiliates. The General Partners have the power and authority to delegate the management of the VMG Funds to VMG. The General Partners and each of the Growth Funds and Catalyst Fund have entered into management agreements with VMG to document the delegation of the management of each VMG Fund to VMG. The Managing Members of VMG are Michael L. Mauzé, Kara M. Roell, Wayne K. Wu and Robin Tsai, and Mr. Mauzé and Ms. Roell are the principal owners of VMG.

B. Types of Advisory Services Offered

VMG provides advice to the VMG Funds in respect of their investment portfolios, as well as certain ancillary managerial and administrative services, including, without limitation, identifying and screening potential investments, recommending strategies for the management and disposition of investments, monitoring the performance of investments, and preparing reports necessary or appropriate for compliance with the governing agreements of the VMG Funds. Investments in VMG Funds are privately offered only to qualified investors, typically institutional investors and eligible high-net-worth individuals. See also Item 4.A. above. In some cases, private equity professionals from other firms or other services professionals may also be investors in the VMG Funds.

C. Services Tailored to Individual Needs of Clients

VMG's advisory services are geared to the management of the VMG Funds, which are tailored to the investment objectives, parameters and restrictions of which are disclosed to investors in the applicable governing agreements before they invest. Investment restrictions applicable to specific VMG Funds are customarily imposed in the governing agreements for such VMG Funds, as agreed upon with investors.

VMG or certain affiliates have entered, and may also in the future enter, into side letters or other writings with specific investors in VMG Funds which have the effect of establishing rights under, or altering or supplementing, the terms of the governing agreements of the VMG Funds, in respect of the investor to whom such letter or writing is addressed. Any rights established, or any terms altered or supplemented, will govern only that investor and not a VMG Fund as a whole. Such side letters may impose restrictions on participation in certain investments or types of investments made by the VMG Funds (in the event a VMG Fund pursues such an investment, the indirect ownership percentage of the VMG Fund's other investors in such investment will be greater than their pro rata share of the VMG Fund), and may also provide benefits to certain investors in a VMG Fund not provided to investors in such VMG Fund generally (for example, adjustments to fees or other economics, access to information, ability to transfer interests in a VMG Fund or compliance with specified laws or regulations). Disclosure of applicable side letter practices is made to investors prior to their investment in the applicable VMG Fund.

D. Client Assets

As of February 17, 2021, VMG managed \$2,700,535,825 of client assets on a discretionary basis. As of February 17, 2021, VMG did not manage any assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

A. Fees

The applicable fees for each VMG Fund are disclosed to investors in the private offering materials for the relevant private offering of each VMG Fund. VMG (or its affiliates) receives a management fee and the General Partners receive a "carried interest" or performance fee, in each case, from the respective VMG Funds they manage. Performance fees are typically measured as

a percentage of the proceeds of the disposition of each portfolio company investment by a VMG Fund as more fully described in Item 6 below and are negotiated separately for each VMG Fund.

In addition, VMG, the General Partners or their affiliates have received, and may also in the future receive, directors' fees, transaction fees, topping and break-up fees, commitment fees, consulting fees, advisory fees, monitoring fees, financing fees, divestment fees or other fees in connection with portfolio investments or prospective portfolio investments of a VMG Fund, including warrants, options, derivatives and other rights, in each case valued as of the grant date and the terms thereof generally will be determined by the General Partners in their sole discretion. In certain circumstances, non-affiliated co-investors or joint owners of such prospective portfolio companies may have the ability to influence the terms of the arrangements giving rise to any such fees, including, without limitation, the timing and amount of payments and the inclusion of acceleration provisions in circumstances in which a VMG Fund may not have otherwise included such provisions. Typically, the management fees payable by each investor in a VMG Fund will be reduced by a percentage of its *pro rata* share of any directors' fees, transaction fees, topping and break-up fees, commitment fees, consulting fees, advisory fees, monitoring fees, financing fees, divestment fees or other fees received by VMG or its affiliates in connection with portfolio investments or prospective portfolio investments of a VMG Fund. VMG Funds that do not pay a management fee do not receive the benefit of the offset or otherwise share in such fees. In addition, any offsets to the management fee that would otherwise be allocable to the General Partners (or their affiliates) or to any co-investment vehicle, any co-investor or any other transaction participant (including portfolio company management) will not be applied to reduce the aggregate management fee payable in respect of the limited partners in a VMG Fund and will be retained by the recipient thereof or its designees. For the avoidance of doubt, any fees payable by any co-investor shall not offset the management fee and shall be retained by the recipient thereof or its designees and will not be applied to reduce the aggregate management fee payable in respect of the limited partners. Offsets are applied after taking into account the effect of any management fee waiver described below.

As permitted under the applicable governing agreements of a VMG Fund, VMG may waive a portion of the management fee. Any such waived portion of the management fee reduces the amount of capital VMG (or its affiliates) would otherwise be required to contribute to the respective VMG Fund. Upon a waiver, the investors in a VMG Fund are then required to make a *pro rata* contribution according to their respective commitments to fund any such waived management fee that VMG elects to treat as a contribution.

B. How Fees are Charged

Management fees are assessed semi-annually and payable by each investor in a VMG Fund partially in advance on a semi-annual basis. Management fees are collected no earlier than the business day after the beginning of each semi-annual period. Management fees are paid by capital contributions from investors to each VMG Fund pursuant to capital call notices delivered by each VMG Fund's General Partner out of the total amount of capital an investor agrees to contribute to the applicable VMG Fund (*i.e.*, an investor's "capital commitment") or are paid out of cash that is otherwise distributable to the investors in the VMG Funds, including cash held by the VMG Fund after a portfolio investment of a VMG Fund is disposed of and before the proceeds are distributed

to investors (*i.e.*, deducted from the assets of a VMG Fund). Management fees may also be paid out of cash reserves of the applicable VMG Fund.

“Carried interest” or performance fees are assessed periodically, typically after the receipt by the VMG Funds of proceeds from a portfolio investment and are generally paid out of cash otherwise distributable to VMG Fund investors.

VMG has and may in the future exempt certain principals, employees, consultants, certain service providers and certain executive management members of portfolio companies from payment of all or a portion of management fees and/or “carried interest” on their direct or indirect investment in one or more VMG Funds.

C. Other Fees and Expenses

Generally, each VMG Fund, bears all of the fees, costs, expenses and other liability or obligations relating to or arising from its operations, activities, meetings and eventual liquidation (either directly or indirectly through the payment of such expenses by portfolio companies). The operating and offering documents of each VMG Fund set forth the particulars of operating expenses that may be borne by a VMG Fund, but such operating expenses may include, but are not limited to, fees, costs and expenses related to the purchase, researching, diligencing, investigating, identifying, analyzing, pursuing, negotiating, consummating, holding, sourcing, monitoring and sale of investments and potential investments (including travel-related expenses (which may include private jet, first class and business class commercial travel, as set forth in the applicable VMG Fund governing agreements)), expenses relating to syndicated sell through industry market data, performance analytics of online purchase data, market intelligence platforms, and other data and analytics services as set forth in the applicable VMG Fund governing agreements, out-of-pocket implementation, licensing, consulting and maintenance costs relating to technology systems (such as CRM, portfolio monitoring, valuation and reporting systems), commitment fees or other lenders’ fees that become payable in connection with a proposed investment, consulting, investment banking, legal and accounting fees and expenses and printing expenses, reporting to investors, tax preparations, meetings of limited partners and VMG Fund advisory committees, expenses of any administrators, advisors, custodians, brokers, consultants, legal counsel, appraisers, accountants, valuation firms and other professional service providers, including, without limitation, all audit fees, appraisal fees, brokerage commissions, banking and investment banking fees and all fees and costs associated with the preparation and filing (as applicable) of the financial statements, tax returns and forms K-1s or similar tax schedules of a VMG Fund and any expenses incurred or paid by the partnership representative or designated individual, out-of-pocket costs of reporting, expenses of certain VMG education and networking events and meetings (including industry conferences and/or meetings with industry operators, retailers and consultants), any insurance, indemnity or litigation expenses, all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the VMG Fund, any taxes, fees, duties or other governmental charges levied against a VMG Fund investment vehicle, and expenses arising in connection with the formation, launch and closings of a VMG Fund (as described in, and subject to limits on such organizational expenses as set forth in, the applicable VMG Fund governing agreements), any indemnification, extraordinary expense, liability, audit and investigation costs and expenses, all fees, costs and expenses of maintaining the existence of, winding up and liquidating a VMG Fund

and the fees, costs and expenses of complying with applicable law, rules and regulations. Each VMG Fund (other than certain co-investment vehicles) will also pay all expenses for transactions not completed, including amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions which are not consummated, and any deposits or down-payments which are forfeited in connection with unconsummated transactions regardless of whether any potential co-invest was contemplated.

Each VMG Fund will also pay any placement agent fees and expenses incurred in connection with the marketing and offering of limited partnership interests in the VMG Fund, however, the management fees payable by the investors in a VMG Fund will be reduced dollar-for-dollar by their share of the amount of placement agent fees and expenses paid by the VMG Fund, such that the investors in the VMG Fund will not bear the economic burden of any placement agent fees and expenses.

Given the nature of the VMG Funds' investment programs, VMG does not usually transact through broker-dealers. Therefore, the VMG Funds do not generally incur brokerage costs. A discussion of VMG's brokerage practices may be found at Item 12 of this brochure.

D. Refunds for Fees Charged in Advance

Investors in VMG Funds agree to commit a certain amount of capital to a VMG Fund in advance of any investment advisory functions performed by VMG. Management fees assessed by the VMG Funds are paid from these amounts and are payable partially in advance for each semi-annual period, as described above in Item 5.B. VMG's services may be terminated under very limited circumstances. Should VMG's services be terminated before services are provided for the applicable period, fees that have been paid in advance will generally be pro-rated from the date of VMG's termination to the end of the period to which the advance fee covered and will be returned to the investors that paid those fees in advance.

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

A VMG Fund may be assessed a "carried interest" or performance fees that are paid to the applicable General Partner. The "carried interest" is assessed periodically, typically after the receipt by the VMG Funds of proceeds from a portfolio investment and is paid out of cash otherwise distributable to investors. "Carried interest" is typically measured as a percentage of the proceeds of the disposition of each portfolio company investment by a VMG Fund and is negotiated separately for each VMG Fund in compliance with the Investment Advisers Act of 1940, as amended (the "Advisers Act"). For the Growth Funds, "carried interest" is distributed to the General Partners for the Growth Funds with respect to each receipt of net proceeds attributable to a portfolio investment of a Growth Fund only after the investors in the applicable Growth Fund receive the aggregate of (i) the capital contributions of such investor made in respect to such portfolio investment, (ii) the investor's proportionate share of capital contributions used to pay organizational and other expenses described in Item 5 that have been allocated to such portfolio investment, and (iii) a preferred return on such capital contributions. For the Catalyst Fund, "carried interest" is distributed to the Catalyst Fund General Partner with respect to each receipt

of net proceeds attributable to a portfolio investment of the Catalyst Fund only after the investors in the Catalyst Fund receive their aggregate capital contributions.

Generally, upon the termination of a Growth Fund, the applicable General Partner for the Growth Fund will be required to restore funds to the applicable Growth Fund to the extent that (i) the investors have not received their return of realized capital and costs and preferred return described above, or (ii) the applicable General Partner for the Growth Fund has received cumulative distributions in respect of its “carried interest” in excess of a certain percentage of the proceeds of the disposition of each portfolio company investment by a Growth Fund, in each case, applied on an aggregate basis covering all transactions of the applicable Growth Fund. Upon the termination of the Catalyst Fund, the Catalyst Fund General Partner will be required to restore funds to the Catalyst Fund to the extent that (i) the investors have not received their return of capital and costs or (ii) the Catalyst Fund General Partner has received cumulative distributions in respect of its “carried interest” in excess of a certain percentage of the proceeds attributable to each portfolio company investment by the Catalyst Fund. In no event will the applicable General Partner be required to restore more than the cumulative distributions in respect of its “carried interest” received by such General Partner, less income taxes thereon and taxes attributable to property distributed in kind. The General Partners have engaged, and may also in the future engage, certain professionals (“VMG Services Professionals”) who are independent contractors and not employees of VMG to provide the VMG Funds and its portfolio companies sales, field activation and marketing strategy, legal, manufacturing and operations and/or ecommerce strategy advice. These VMG Services Professionals may participate in the General Partners’ “carried interest” and be investors in the VMG Funds.

The existence of the General Partners’ “carried interest” or performance fee may create an incentive for the General Partners and VMG to make riskier or more speculative investments on behalf of the VMG Funds than would be the case in the absence of these arrangements. These potential conflicts of interest are addressed in the manner described in Item 11.

VMG does not manage accounts other than the VMG Funds and generally all of the VMG Funds pay performance-based fees. However, VMG has formed, and in the future may form, co-investment vehicles, some of which pay management fees or “carried interest” and some of which do not pay management fees or “carried interest.” There will not be any offset applied to the co-investments vehicles, whether or not they pay any management fees. While VMG advises both clients that pay performance-based fees and clients that do not, VMG believes that any potential conflict is generally mitigated by the fact that co-investment funds or vehicles sponsored by VMG (i) generally participate in investment opportunities to the extent there is excess capacity after the applicable VMG Funds make their investment allocations and (ii) are generally required to acquire and dispose of their investments on substantially the same terms and at substantially the same time as the main VMG Funds. Furthermore, VMG does not permit investment allocation decisions to be based on its potential to earn performance-based fees. In certain instances, VMG has waived and reduced, and may in the future waive or reduce “carried interest” with respect to certain persons in the VMG Funds.

ITEM 7 - TYPES OF CLIENTS

VMG provides investment advice only to the VMG Funds, which are its only clients. Interests in the VMG Funds are offered privately to a limited number of sophisticated investors, including institutional investors (for example, public and private pension funds) and individuals who qualify to invest in the VMG Funds because they have a sufficiently high income or net worth. Such investors are generally limited to (i) “accredited investors” within the meaning of the rules and regulations promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and (ii) “qualified purchasers” or “knowledgeable employees” within the meaning of the rules and regulations promulgated under the Investment Company Act of 1940, as amended. VMG typically imposes a minimum investment in connection with investing in a VMG Fund, often in the range of \$2.5 million to \$10 million, although such minimums may be waived in the discretion of VMG. In addition, each General Partner will make a capital commitment to the applicable VMG Fund and its capital commitment will be funded through such General Partner by members and employees of VMG, the applicable General Partner and in some cases, other third parties. For certain VMG Funds, a General Partner’s capital commitment may be structured as a profits interest.

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

A. Methods of Analysis and Investment Strategies

The Growth Funds primarily invest principally in marketing-driven, branded consumer product companies within the United States and Canadian lower-middle markets. In particular, Growth Funds focus on making investments in private companies in defined industries where VMG believes its operating and marketing expertise and resources can accelerate value creation. These focused industries include food, beverage, beauty, personal care, wellness, fitness, consumer health, pet and household products. With respect to the Growth Funds, VMG’s investment strategy for each industry is generally executed through independent research, which may include direct contact with companies and consultants. VMG’s methods of analysis include economic and industry analysis, fundamental research concerning specific companies and securities, technical analysis, and other methods that one or more of VMG’s investment personnel may deem appropriate from time to time.

Catalyst Fund primarily conducts early-stage investing in tech-enabled consumer products, services, experiences and marketplaces, as well as the technological backbone that enables consumer businesses principally within North America. In particular, Catalyst Fund will focus on early-stage private companies in which the Catalyst Fund believes the ecosystem VMG has established will provide a competitive advantage. With respect to Catalyst Fund, VMG’s investment strategy involves building a strong and broad ecosystem of founders, managers, subject matter experts, retailers, and buyers with aligned interests, establishing focused and effective methods of identifying and utilizing critical consumer insights and preferences, and developing a comprehensive set of value-add resources that seek to drive value for all stakeholders.

Participation in any VMG Fund involves a risk of loss that investors should be prepared to bear, including up to the entire amount of their investment or commitment. For a discussion of material risks, see Items 8.B and 8.C immediately below. In addition, prospective investors in VMG Funds

are provided with more detailed information about risks and conflicts of interest specific to any VMG Fund before they invest.

B. Material Risks

The transactions in which the VMG Funds engage involve substantial risks and are suitable only for those investors who have the financial sophistication and expertise to understand and accept such risks. No assurance can be given that the investment objectives of the VMG Funds will be achieved or that investors will receive a return of or will realize a profit on their investments in the VMG Funds.

Prior to committing to any VMG Fund, potential investors are furnished with a confidential offering memorandum which sets forth in detail the material risks associated with such investment and cautions that returns may be unpredictable, that the possibility of a partial or total loss of capital will exist and that investors should not commit unless they can readily bear the consequences of such loss. All investors are required to represent in their subscription materials that they have carefully read the risk factor disclosure and understand all such risks. Prospective investors are also advised in the offering materials that the risk factors and other investment considerations described therein are not necessarily a complete list or explanation of all risks involved and are advised to consult their own counsel and other advisors.

Without limiting (i) the foregoing, (ii) the disclosure set forth in the VMG Funds' offering documents and governing agreements and (iii) the acknowledgements made by investors in their subscription agreements or otherwise, the discussion below summarizes certain of the material risks associated with investments in the VMG Funds:

Nature of Investment: An investment in a VMG Fund requires a long-term commitment, with no certainty of return. Portfolio investments of a VMG Fund may not generate current income. Therefore, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur upon the partial or complete realization or disposition of such portfolio investment. While a portfolio investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of a VMG Fund's portfolio investments will not occur for several years after such portfolio investments are made. There can be no assurances that purchasers of, or realization opportunities for, a VMG Fund's portfolio companies will be found. Further, the terms of any disposition or realization transaction will necessarily be affected by economic and other market conditions at the time. Similarly, a VMG Fund generally will not be able to sell portfolio company securities publicly unless the issuer has gone public and such sale is registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases, a VMG Fund may be prohibited or limited by contract from selling certain portfolio company securities for a period of time, and, as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

Restrictions on Transfer and Withdrawal; Lack of Liquidity: The interests in VMG Funds are not registered or qualified for sale under the Securities Act or any other applicable securities laws and there will be no public or private market for the interests in VMG Funds and none is expected to develop. In addition, the interests in VMG Funds are not transferable and may not be

sold, transferred, pledged, mortgaged, charged, assigned, hypothecated or otherwise encumbered except with the consent of the relevant General Partner, which may be withheld by such General Partner in its sole discretion, and subject to the terms and conditions of the partnership agreements. Investors may not withdraw capital from the VMG Funds. Consequently, investors may not be able to liquidate their investments prior to the end of the applicable VMG Fund's term.

Uncertainty of Financial Projections: The General Partners 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 a VMG Fund makes an investment, the General Partners and/or VMG 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 VMG Funds subject to certain limitations thereon set forth in the relevant partnership agreements. In addition, if the VMG Funds are 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 VMG Funds 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 VMG Funds may suffer a material loss of capital and the value of the VMG Funds' investments may be adversely impacted. The VMG Funds 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.

Prior Investment Performance Not Indicative of Future Results: The performance of prior investments made by a VMG Fund is not indicative of any VMG Fund's future results. On any given investment, total loss of the investment is possible.

Dependence on Key Personnel: The success of a VMG Fund depends in substantial part upon the skill and expertise of the investment professionals of VMG and the other individuals employed to assist them. There can be no assurance that the investment professionals will continue to be partners of or employed by the General Partners, VMG or any of their respective affiliates. The loss of service to a VMG Fund of one or more the investment professionals could have a material adverse effect on the success of a VMG Fund.

Limited Number of Investments; Lack of Diversity: A VMG Fund may participate in a limited number of investments and VMG and the VMG Fund may not be able to identify or acquire an appropriate volume of investment opportunities and, as a consequence, the aggregate returns of the VMG Fund may be substantially affected by the unfavorable performance of a single investment. Because a VMG Fund may only make a limited number of investments and since such VMG Fund's investments generally will involve a high degree of risk, poor performance by one or more of a VMG Fund's investments could materially affect the total returns to investors. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the degree of diversification in a VMG Fund's investments. A VMG Fund is not required to make investments that are diversified geographically or otherwise. Because a VMG Fund's investments may be concentrated within relatively few industries, sectors, countries or regions, portfolio diversification will be less than would be possible if a VMG Fund were to invest in a broader range of industries, sectors, countries or regions. Such reduced diversification may increase the volatility of a VMG Fund's returns, and could reduce a VMG Fund's returns relative to more diversified funds to the extent that such industries, sectors, countries or regions do not perform as well as other industries, sectors, countries or regions.

Leverage: A VMG 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 VMG 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 a VMG Fund may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss.

Bridge Financing; Overcommitment: A VMG Fund has made, and may in the future make, in connection with or in anticipation of its portfolio investments, additional investments intended to be of a temporary nature and refinanced, repaid, assigned, redeemed, sold, or disposed of within twelve (12) months (any such short-term investment, a "Bridge Financing"). For example, in order to facilitate the acquisition of investments, VMG or its affiliates may make (or commit to make), or may cause a VMG Fund to make (or commit to make), an investment in a potential portfolio company with a view to selling a portion of such investment to co-investors or other persons or obtaining financing prior to or within a period after the closing of the acquisition. In such event, a VMG Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, or that financing may not be available, and that, as a consequence, a VMG Fund may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, or be required to hold a larger than expected investment. Additionally, if such portfolio company were unable to complete a refinancing, a VMG Fund could have a long-term investment in a junior security and the interest rate on such Bridge Financing

may not adequately reflect the risk associated with the unsecured position taken by such VMG Fund. This could result in a VMG Fund having a variety of unintended long-term investments or reduced diversification. Further, there can be no assurance that any such Bridge Financing will generate any returns for a VMG Fund or result in a full return of capital on any such refinancing.

Credit Support: A VMG Fund has made and may in the future make contingent funding commitments to its portfolio companies and provide credit support for such obligations (“Credit Support”). Such Credit Support may take the form of guarantees, letters of credit or pledges of a portion of the commitments to a lender or other counterparty. Such funding commitments may be secured by an assignment of a General Partner’s right to draw down capital from the limited partners. It is possible that the limited partners will be required to acknowledge and consent to any such pledge or Credit Support and provide certain information and/or legal opinions as required by the lender or other counterparty. The General Partners and/or VMG may be required to segregate unfunded commitments sufficient to satisfy a VMG Fund’s obligations with respect to any such Credit Support. Utilization of Credit Support will result in fees, expenses and interest costs to a VMG Fund, and may result in an under-utilization of a VMG Fund’s capital. In the event that one or more limited partners fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to any such Credit Support, such amount would be drawn from non-defaulting limited partners.

Investment Platforms: A VMG Fund, alone or co-investing alongside third parties have created and may in the future create or acquire companies that serve as a platform for investment in a particular sector, geographic area or other niche (such arrangements, “Investment Platforms”). In the case of acquired Investment Platforms, a VMG Fund may rely on the existing management, board of directors and other shareholders of such companies, which may include representation of other financial investors with whom a VMG Fund is not affiliated and whose interests may conflict with the interests of such VMG Fund. In other cases, a VMG Fund may recruit a management team to pursue a new Investment Platform expected to lead to the formation of a future Investment Platform. A VMG Fund has formed and may in the future form a new portfolio company and recruit a management team to build the Investment Platform through acquisitions and organic growth. A VMG Fund or the Investment Platform, as applicable, will bear the expenses of such management team, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the Investment Platform. Such expenses may be borne directly by a VMG Fund as fund expenses (or broken-deal expenses, if applicable) or indirectly as a VMG Fund bears the start-up and ongoing expenses of the newly formed Investment Platform. In certain cases the services provided by such management team may overlap with the services provided by VMG to a VMG Fund. The compensation of management of an Investment Platform may include interests in the profits of the Investment Platform, including profits realized in connection with the disposition of an asset. Although an Investment Platform may be controlled by a VMG Fund, members of the management team will not be treated as affiliates of the General Partners for purposes of the respective governing agreements. Accordingly, none of the expenses, profit interests or other arrangements described above will offset the management fee.

Competitive Marketplace: A VMG 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 a VMG 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, a VMG 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 a VMG Fund, which might ultimately have to be funded by the investors in a VMG 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 a VMG 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 VMG Fund.

Recall and Reinvestment: Under certain circumstances, proceeds distributable (or previously distributed) to the investors in a VMG Fund that constitute a return of capital contributions have been and may in the future be retained and reinvested (or recalled for reinvestment) by VMG or used (or recalled for use) by VMG for any other proper purpose. Amounts available for recall will be restored to the investors' respective available capital commitments. Accordingly, an investor may be required to fund for investments or expenses during the term of a VMG Fund an aggregate amount that significantly exceeds its capital commitment.

Distributions in Kind: Although, under normal circumstances, a VMG Fund intends to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of a VMG Fund) distributions may be made in kind and could consist of securities for which there is no readily available public market.

Recourse to a VMG Fund's Assets: A VMG Fund's assets, including any investments made by a VMG Fund and any capital held by a VMG Fund, are available to satisfy all liabilities and other obligations of a VMG Fund. If a VMG Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to a VMG Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification: VMG, the General Partners, the principals and their respective members, partners, shareholders, directors, officers, employees, agents and affiliates, and the members of the investor advisory committee, their employers and the investors they represent will be entitled to indemnification from a VMG Fund, except in certain circumstances. All of the assets of a VMG Fund and unfunded capital commitments will be available to satisfy these indemnification obligations, and investors in a VMG Fund may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of a VMG Fund.

Effects of Bankruptcy: A VMG Fund may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon

confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, a VMG Fund could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the initial investment. In general, bankruptcy laws may be expected to have a variety of adverse impacts on the value of a VMG Fund's investments and the timing and amount of any distributions a VMG Fund is able to receive therefrom. In addition, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Pension Liabilities: A VMG Fund could face risk of loss from employee pension-related liabilities arising from investments in portfolio companies that maintain or contribute to defined benefit pension plans in the United States and certain other jurisdictions. Under certain circumstances, U.S. courts have held (and certain non-U.S. laws provide) that certain shareholders may be responsible for satisfying certain pension liabilities incurred by their direct and indirect operating company investments (including liabilities associated with the operating company's withdrawal from a pension plan). While U.S. law is unsettled regarding the circumstances under which an investment fund could be responsible for these types of pension liabilities and the principals intend to consider (among many factors) potential pension liabilities in determining whether to invest in a particular portfolio company, it is possible that a VMG Fund could become subject to pension-related liabilities of portfolio companies in which it invests and that such pension liabilities could exceed the value of such investment.

Failure to Make Capital Contributions: If any investor in a VMG Fund fails to fund its subscription obligation or make required capital contributions when due, a VMG Fund's ability to complete its investment program or otherwise continue operations may be impaired and the investor may be subject to significant consequences.

Limited Partners Will Not Participate in Management of a VMG Fund: Investors in any VMG Fund will not have the right to participate in the management of a VMG Fund or in decisions made by the applicable General Partner on its behalf. As a result, investors will have almost no control over their investments in a VMG Fund or their prospects with respect thereto. The General Partners of the VMG Funds manage the VMG Funds based on the particular VMG Fund's overall investment objectives, not the objectives of individual investors. Individual investors may have interests that conflict with or compete with the VMG Funds and their portfolio companies or may be service providers to or counterparties of the VMG Funds and their portfolio companies.

Advisory Committee: Although the investor advisory committee of a VMG Fund is intended to act as the representative of the investors of a particular VMG Fund in respect of certain matters (including being authorized to provide consent on behalf of the VMG Fund in connection with certain affiliate transactions, Advisers Act "assignments" or as otherwise requested by VMG), that investor advisory committee may not have the same interests as all investors. Furthermore, the advisory committee cannot be expected to be an expert in all matters presented to it, and certain of its determinations may, in fact, adversely affect the performance of the particular VMG Fund. In

addition, members of the investor advisory committee may have conflicts of interest that do not disqualify them from voting on or consenting to matters submitted for consideration or review. The VMG Funds will indemnify the members of the investor advisory committee, any affiliate or employer of any such members and any investor represented on the investor advisory committee by any member, in connection with any involvement with the investor advisory committee, respectively, but only to the extent that such person acted in good faith and as specifically required by the partnership agreement. In addition, the investor advisory committee generally does not owe a fiduciary obligation to the VMG Fund or the investors.

Unspecified Use of Proceeds: Investors in a VMG Fund do not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by a VMG Fund and, accordingly, will be dependent upon the judgment and ability of VMG in investing and managing the capital of a VMG Fund.

Effect of Fees and Expenses on Returns: A VMG Fund will pay fees and will bear all expenses related to its operations. Such fees are expected to reduce the actual returns to investors in a VMG Fund. Most of the fees and expenses will be paid regardless of whether a VMG Fund produces positive investment returns.

General Economic Conditions; Market Dislocation: U.S. and global market and economic conditions may decrease the demand for consumer products and may impact the VMG Funds' ability to, among other things: (a) make and dispose of investments on favorable terms, (b) access credit markets on favorable terms (or at all), and (c) attract co-investors and other counterparties to do business with the VMG Funds. There can be no assurance as to the future direction of national and global market and economic conditions.

The United Kingdom and Brexit: The UK withdrew from the EU on January 31, 2020 ("Brexit"). In connection with Brexit the UK and the EU agreed the Trade and Cooperation Agreement ("TCA") that governs the future trading relationship between the UK and the EU in specified areas. The TCA took effect from January 1, 2021 following a transition period that commenced immediately following the Brexit date.

The UK is no longer in the EU customs union and is outside of the EU single market. As a result, logistical disruption is expected while the UK and EU implement the new relationship under the TCA. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements. The initial timeframe set to agree a financial services cooperation framework may be subject to extension and a cooperation agreement on financial services is not guaranteed. The uncertainty surrounding the implementation of the TCA and the outcome of ongoing negotiations may have economic, tax, fiscal, legal, regulatory and other implications for the asset management industry, the broader European and global financial markets generally and for private funds, such as a VMG Fund and its investments. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or

assets based, doing business, or having service or other significant relationships in, the UK or the EU, including companies or assets held or considered for prospective investment by a VMG Fund.

The future application of EU-based legislation and/or taxation to the private fund industry in the UK will depend, among other things, on how the UK negotiates its relationship with the EU as regards financial services. There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on a VMG Fund and its investments, including, to the extent applicable the ability of a VMG Fund to achieve its investment objectives. The ongoing effects of Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of VMG to manage, operate and invest a VMG Fund and increased legal, regulatory or compliance burden for VMG of a VMG Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of a VMG Fund.

Whilst the most immediate impacts of Brexit on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and the EU.

Environmental, Social & Governance (“ESG”) Matters: ESG matters have been the subject of increased focus by certain regulators in the EU. For example, the European Commission has proposed legislative reforms, which include, without limitation: (a) Regulation 2019/2088 regarding the introduction of transparency and disclosure obligations for investors, funds and asset managers in relation to ESG factors, for which most rules are proposed to take effect beginning on March 10, 2021 and (b) a proposed regulation regarding the introduction of EU-wide taxonomy of environmentally sustainable activities, which is proposed to take effect in a staggered approach beginning on December 31, 2021. While VMG strives to implement ESG practices, there can be no assurance that VMG will be able to identify all ESG issues or will be able to successfully implement its ESG policies. The use of ESG metrics in the investment process may be subjective and are not subject to uniform standards, and, as such, there is no guarantee that VMG will be able to accurately assess and measure the ESG risks and ESG compliance of its investments and potential investments. ESG-based exclusionary criteria may result in a VMG Fund foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. The use of ESG criteria may affect a VMG Fund’s investment performance and, as such, a VMG Fund may perform differently compared to similar funds that do not use such criteria.

Data Privacy: The General Data Protection Regulation (“GDPR”) came into effect on May 25, 2018. The purpose of the GDPR is to provide for the protection of the individual’s right to privacy with respect to the processing of personal data. The GDPR is directly applicable in all EEA member states, creating a single legal framework that results in a more uniform application of data privacy laws across the EU.

Following Brexit, the GDPR has been imposed in UK law, as the UK General Data Protection Regulation (“UK GDPR”). The UK’s data protection regime primarily consists of the UK GDPR

and the UK Data Protection Act 2018 (the “UK DP Laws”). The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, and it is also unclear how the UK DP Laws will develop in the medium to longer term.

To the extent that VMG or its affiliates offer investment opportunities to or monitors the behavior of, natural persons located in the EEA and the UK (“Data Subjects”), VMG will be deemed to be a “controller” with respect to personal data collected from such Data Subjects and will be required to comply with the provisions of the GDPR and UK DP Laws, which are extensive and require consistent and thorough application. The GDPR and UK DP Laws implement more stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, requiring expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for controllers to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities.

Controllers must put in place the necessary mechanisms to allow Data Subjects to exercise their data subject rights, such as the right to access and rectify their personal data, the right to impose restrictions on processing, and in certain circumstances the right to request the deletion of personal information, to request the transfer of such information to another controller and to object to the processing of their personal information. The GDPR provides that EEA member states may make their own additional laws and regulations in relation to certain data processing activities, and may impose stricter governance requirements, which could limit VMG’s ability to use and share personal data or could require localized changes to VMG’s and a VMG Fund’s operating models (if applicable). The provisions of the GDPR and UK DP Laws may also apply to a VMG Fund’s investments, to the extent that they are established in the EU and the UK, or offer goods or services to, or monitor the behaviour of, EEA and UK Data Subjects.

To the extent applicable, VMG is also subject to certain rules with respect to cross-border transfers of personal data out of the EEA and the UK. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA and the United Kingdom to the U.S. Most recently, on July 16, 2020, the Court of Justice of the European Union (“CJEU”) invalidated the EU-US Privacy Shield Framework (“Privacy Shield”) under which personal data could be transferred from the EEA to US entities who had self-certified under the Privacy Shield scheme.

While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals and additional measures and/or contractual provisions may need to be put in place, however, the nature of these additional measures is currently uncertain. The CJEU went on to state that if a competent supervisory authority believes that the standard contractual clauses cannot be complied with in the destination country and the required level of protection cannot be secured by other means, such supervisory authority is under an obligation to suspend or prohibit that transfer.

VMG currently relies on the standard contractual clauses to transfer personal data outside the EEA, including to the U.S. among other data transfer mechanisms pursuant to the GDPR, but excluding the EU-US Privacy Shield. These recent developments are likely to require us to review and amend the legal mechanisms by which VMG makes and/or receives personal data transfers to/ in the U.S. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, VMG could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if VMG is otherwise unable to transfer personal data between and among countries and regions in which VMG operates, it could affect the manner in which VMG provides its services, the geographical location or segregation of VMG's relevant systems and operations.

Under the GDPR fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be imposed for non-compliance. The UK GDPR mirrors the fines under the GDPR, *i.e.* fines up to the greater of £17.5 million or 4% of global annual turnover. In addition to the foregoing, a breach of the GDPR or UK GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/or assessment notices (for a compulsory audit). VMG may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs and diversion of internal resources. An assessment by a competent authority in the EEA and the UK that VMG has not complied with the requirements of the GDPR and UK DP Laws (if applicable) could result in serious financial and reputational damage to VMG or a VMG Fund. These laws (if applicable) also could cause costs of a VMG Fund and its investments to increase and result in further administrative burden, which is likely to reduce capital and time that can be deployed for making investments.

CCPA: California recently passed the California Consumer Privacy Act of 2018 (the “CCPA”). The CCPA is enforceable by the California Attorney General and generally applies to businesses that collect personal information about California consumers and meet certain thresholds with respect to revenue or buying and/or selling consumers’ personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. Additionally, if unauthorized access, theft or disclosure of a consumer’s personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual damages (whichever is higher).

Diseases, Pandemics and Epidemics: The impact of disease and epidemics may have a negative impact on VMG, the VMG Funds and their portfolio companies and each of their respective affiliates and the performance and financial position of each of the foregoing. The COVID-19 pandemic, renewed outbreaks of other epidemics or the outbreak of new epidemics have or could result in health or other government authorities requiring the closure of offices or other businesses and have or could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, the operations of any of the foregoing persons could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel

restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on any of the foregoing persons.

The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. COVID-19 has spread around the world resulting in widespread business and social disruption. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain and such adverse effects have been material and are expected to remain material for the foreseeable future. Governmental agencies and private sector participants have sought to mitigate the adverse effects of COVID-19, which has included such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel and other restrictions, and, more recently, the medical community has developed multiple vaccines that have proven effective in studies and are currently being rolled out to various segments of the population. However, delays and other logistical issues relating to the vaccination of large segments of the population continue to significantly impact the timeline of a COVID-19 recovery.

The operations and business results of VMG, the VMG Funds and their portfolio companies, and each of their respective affiliates could be materially adversely affected by the COVID-19 outbreak and such outbreak or future outbreaks may adversely affect a VMG Fund's ability to fulfill its investment obligations. The extent to which COVID-19 (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain COVID-19 or treat its impact, among others, and other factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency, including, without limitation, the COVID-19 pandemic, may materially and adversely impact (a) the value and performance of a VMG Fund's portfolio companies, (b) the ability of a VMG Fund's portfolio companies to continue to meet loan covenants, post margin or repay loans on a timely basis or at all, or (c) a VMG Fund's ability to source, manage and divest investments and a VMG Fund's ability to achieve its investment objectives, all of which could result in significant losses to a VMG Fund. The foregoing market conditions may cause a VMG Fund to write down assets materially as the fair market value of its investments may be reduced in light of a potential or actual economic decline or recession, decline in or lack of consumer confidence or uncertain and volatile market conditions that are difficult to assess or predict. In addition, the operations of VMG, the VMG Funds and their portfolio companies and each of their respective affiliates may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Business Continuity Plans: In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, VMG will initiate its business continuity plan to safeguard that its employees have the resources and technology necessary to continue their responsibilities and meet portfolio company and investor needs. VMG is not able to predict the level of disruption that such catastrophic events may have on its operation or the ability of its plan to succeed in a time of crisis. Thus, its business continuity plan may be insufficient to continue operating VMG's business as usual in light of such unforeseen circumstances. Any insufficiency in the business continuity plan could cause interruptions in the operations of VMG, the VMG Funds and their portfolio companies, and/or each of their respective affiliates.

Anti-Corruption Laws: In recent years, regulators have placed an increased focus on the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which VMG, the General Partners, the VMG Funds and/or the portfolio companies may be subject (collectively, the "Anti-Corruption Laws"). Any determination that VMG, the General Partners, the VMG Funds and/or any portfolio company has violated any Anti-Corruption Law could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or securities litigation, any one of which could adversely affect VMG, the General Partners, the VMG Funds and/or the portfolio companies.

The General Partners, VMG, the VMG Funds and their portfolio companies and their respective affiliates may also be subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), the United Kingdom Bribery Act of 2010 ("UKBA") and other applicable anti-corruption laws and regulations to which they are subject. As a result, a VMG Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for a VMG Fund to act successfully on investment opportunities and for investments to obtain or retain business.

In recent years, the U.S. Department of Justice, the SEC and the UK Serious Fraud Office have devoted greater resources to enforcement of the FCPA and the UKBA, respectively. While VMG has developed and implemented policies and procedures designed to require compliance by VMG and its personnel with applicable anti-corruption laws, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of VMG's policies and procedures, portfolio companies and their affiliates may engage in activities that could result in FCPA and UKBA violations, particularly in cases where a VMG Fund does not control such portfolio company. Any determination that VMG, a General Partner, a VMG Fund or one of their respective affiliates has violated the FCPA, UKBA or other applicable anti-corruption laws could subject VMG, a General Partner, a VMG Fund and/or such affiliates and their respective officers, employees and agents to civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, debarment from federal or international programs and/or a general loss of investor confidence, among other things, any one of which could adversely affect VMG's business prospects and/or financial position, as well as the VMG Funds' ability to achieve their investment objective and/or conduct their operations.

Legal, Tax and Regulatory Risks: During the term of a VMG Fund, legal, tax and regulatory changes could occur that may adversely affect a VMG Fund.

Cyber Security Breaches and Identity Theft: VMG, each VMG Fund, certain portfolio companies and service providers to VMG, the VMG Funds and the portfolio companies generally rely on information technology systems for current and planned operations. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Information and technology systems of VMG, the VMG Funds, and their respective affiliates and each VMG Fund's portfolio companies as well as service providers to the foregoing may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches and usage errors by their respective professionals. There can be no guarantee that VMG or the VMG Funds will be able to prevent or mitigate such incidents. The failure of these systems could cause significant interruptions in the operations of VMG, the VMG Funds, their affiliates and the portfolio companies and could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). A cybersecurity incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of the funds. Cyber threats and/or incidents could cause financial costs from the theft of fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage, any of which could be materially adverse to the VMG Funds.

VMG, the VMG Funds, their affiliates, service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a VMG Fund and its investors, despite the efforts of such VMG Fund's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a VMG Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of a VMG Fund's service providers, counterparties or data within these systems.

Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to data or that of a VMG Fund's investors. A successful penetration or circumvention of the security of systems could result in the loss, theft or corruption of an investor's data, a loss of fund data, a loss of funds, the inability to access electronic systems, overall disruption in operations systems, loss, theft or corruption of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. These threats may also indirectly affect a VMG Fund through cyber incidents with third party service providers or counterparties. Data taken in such breaches may be used by criminals in identity theft, obtaining loans or payments under false identities, and other crimes that could affect a VMG Fund's investors directly as well as affect the value of assets in which a VMG Fund invests. These risks can disrupt the ability to engage in transactional business, cause direct financial loss and reputational damage, lead to violations of applicable laws related to data and privacy protection and consumer protection or incur regulatory penalties, all or part of which may not be covered by insurance. Cybersecurity risks also result in ongoing prevention and compliance costs. In addition, VMG Funds may incur

substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information and adverse reputational reaction or litigation.

Similar types of operational and technology risks are also present for the portfolio companies in which VMG Funds invest, which could have material adverse consequences for such companies, and may cause the VMG Funds' investments to lose value.

Co-Invest; Access to Information: The interests of investors that participate in co-investments may not align with the interests of investors in the VMG Funds. In addition, investors that participate in co-investments may be in a position to obtain additional information regarding the applicable investment that may not generally be available to investors in the VMG Fund. See Item 11 for further information regarding co-investments.

Use of Subscription Lines: The VMG Funds have and may in the future fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, *i.e.*, subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the relevant VMG Fund and, accordingly, may decrease net returns of such VMG Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant VMG Fund. In light of the foregoing, VMG has an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments, subject to the operating and offering documents of each VMG Fund.

Potential Conflicts of Interest: There will be occasions when VMG and its affiliates may encounter potential conflicts of interest in connection with the VMG Funds. Such conflicts may include, but are not limited to, the following:

- the existence of “carried interest,” which is discussed further in Item 6 above;
- a VMG Fund’s General Partner may engage in transactions on behalf of a VMG Fund with VMG or its affiliates (for example, VMG or its affiliates may receive certain fees for services rendered to, or in connection with, a particular investment);
- the General Partner of a VMG Fund may elect to co-invest the VMG Fund’s capital with other investors who have preexisting investments with other VMG Funds or VMG affiliates on different terms;
- VMG personnel generally devote time to multiple VMG investment vehicles and activities of other VMG affiliates;
- VMG Funds and their portfolio companies may share resources in an effort to enhance efficiency and reduce the cost for each VMG Fund and their portfolio companies;
- VMG Funds may on occasion engage in certain affiliated or interested transactions, as further discussed in Item 11 below; and
- as further discussed in Item 10.C below, VMG may be presented from time to time with investment opportunities that meet the investment objectives of one or more VMG Funds and/or other VMG-advised investment vehicles.

Conflicts of interest, and the methods VMG and its supervised persons utilize to address these conflicts, are generally disclosed to investors in each applicable VMG Fund's governing agreements before they invest.

To address conflicts of interest such as those described above, VMG investment professionals prepare an investment memorandum for each new investment opportunity or other transaction. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with VMG's Managing Members and legal counsel, if deemed appropriate, in order to recommend courses of action to VMG's Managing Members.

In addition, the governing agreements for VMG Funds generally contain specified procedures to address certain conflicts of interests. These procedures may include (i) requiring a General Partner take certain actions to mitigate the conflict of interest, or (ii) referring a conflict of interest transaction to a VMG Fund's investor advisory committee. A VMG Fund's investor advisory committee is typically comprised of representatives of investors in the applicable VMG Fund and is typically authorized to grant consents on behalf of the VMG Fund.

Risks Specific to the Growth Funds

Risks of Investments in Less Established Companies: The Growth Funds 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.

Risks in Effecting Operating Improvements: In many cases, the success of a Growth Fund's investment strategy will depend, in part, on the ability of a Growth 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 a Growth Fund will be able to successfully identify and implement such improvements.

Investments in Public Companies: A Growth 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 a Growth Fund to dispose of such securities at certain times (including, due to the possession by a Growth 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 the VMG

team, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the aforementioned risks.

Hedging: A Growth Fund may enter into swaps, forward contracts and other arrangements to seek to preserve a return on a particular investment or to seek to protect against currency fluctuations. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by a Growth Fund relating thereto. Although such transactions may reduce a Growth Fund's exposure to currency fluctuations or decreases in the value of investments, the costs associated with these arrangements may reduce the returns that a Growth Fund would have otherwise achieved if it had not entered into these transactions.

Growth Company Investments: The Growth Funds' strategy includes investing in growth companies and pursuing strategies to accelerate growth. There can be no assurances that the growth strategies identified by VMG will be realized during the ownership period. Further, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Moreover, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in lower- and middle-market companies, could make it difficult for a Growth Fund to react quickly to negative economic or political developments.

Consumer Products Industry: The North American food and consumer products industries, which are the focus of the Growth Funds, are very competitive, and have a significant number of competitors. Market success is subject to a number of factors, many of which lie outside the control of the Growth Funds and such Growth Funds' portfolio companies. In addition, such portfolio companies may face competition from a number of other companies, including ones with much greater financial and other resources. portfolio companies may ultimately be unsuccessful in gaining significant market position or an anticipated market opportunity may not develop as expected. In either case, a Growth Fund's investment results may be affected in a materially adverse manner.

Products and Services: The business strategies of certain of the Growth Funds' portfolio companies may be highly dependent upon the successful launch and commercialization of an innovative product. There can be no assurance that the research or product development efforts of the portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured or provided in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. In those situations, the Growth Funds may incur a partial or total loss of the capital which it invested in such portfolio company.

Food Manufacturing Risks: The manufacture and sale of food products for human consumption involves the risk of injury, illness or death to consumers and the portfolio companies and/or their respective customers may be subject to product recalls, claims or lawsuits should the consumption of any food products manufactured by the portfolio companies and/or their respective customers cause injury, illness or death. Injuries may result from product tampering by third parties, product contamination or spoilage, or the presence of foreign objects, chemicals, or other agents in the product. Even if a product liability claim is invalid, unsuccessful or not fully pursued, the claims

may be expensive to defend and may generate negative publicity that adversely affects a portfolio company's or the respective Growth Fund's reputation, operations and overall profitability, or that of its customers. Any insurance coverage maintained by a portfolio company may be unavailable or insufficient to cover a judgment against such portfolio company in regard to any of these matters. A judgment awarded in excess of a portfolio company's insurance liability may adversely affect such portfolio company's and/or the respective Growth Fund's financial condition and operations. Additionally, a judgment may affect a portfolio company's ability to maintain existing insurance coverage or find replacement coverage, if at all, at a reasonable cost or on acceptable terms; and a judgment may adversely affect such portfolio company's ability to retain or attract its customers.

Risks Specific to Catalyst Fund

Risks Inherent in Venture Capital Investments: The types of investments that the Catalyst Fund anticipates making involve a high degree of risk. In general, financial and operating risks confronting portfolio investments can be significant. There can be no assurance that the Catalyst Fund will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses may occur early in the Catalyst Fund's term, while successes often require a long maturation.

Early-stage and development-stage 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 percentage of companies that survive and prosper can be small.

Venture capital portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. The public market for mid-to-growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Catalyst Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Catalyst Fund.

Although the Catalyst Fund expects to target primarily early-stage companies, the Catalyst Fund may hold its investment through later stages and may invest in later rounds of financing of portfolio companies. Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

Nature of Investments in Venture Capital Funds: The securities in which the Catalyst Fund will invest will generally be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. The Catalyst Fund's investments will generally be in minority positions in portfolio companies, in many cases without power individually to exert significant control over such portfolio companies' boards of directors and management, although

the Catalyst Fund may also purchase a majority position of the securities of a portfolio company. Generally, the Catalyst Fund's portfolio companies will be at a relatively early stage of development, thus entailing significant operating risk, although the Catalyst Fund may also invest in portfolio companies in later development stages.

Portfolio Companies' Need for Additional Capital: The Catalyst Fund's portfolio companies may require additional financing from sources outside the Catalyst Fund to satisfy their capital requirements. The availability of such capital may be a function of capital market conditions that are beyond the control of the Catalyst Fund or any portfolio company. There is no assurance that additional funds will be available from desired sources or on terms favorable to the portfolio companies.

Untested Commercial Markets: If the portfolio investments are founded on new technologies and/or developments that require continued successful development of practical applications, such applications may not in all cases have been tested in the commercial markets. Accordingly, there can be no assurance that appropriate markets will exist for the portfolio investments' products. Even if a market does exist, there can be no assurance that the portfolio investments will be profitable or that substantial losses will not occur.

As is typical for new and rapidly evolving industries, demand and market acceptance for new products and services are subject to a high degree of uncertainty. In addition, while many companies in high technology sectors have grown or have the potential to grow, few are profitable in their early years, if at all. Portfolio companies may have histories of net losses and may continue to have net losses for many years after an investment is made. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. These companies require considerable additional capital to reach development or commercial milestones. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of the Catalyst Fund's entire investment.

Difficulty in Valuing Portfolio Investments: Generally, there will be no readily available market for a substantial number of the Catalyst Fund's investments and hence, most of the Catalyst Fund's investments will be difficult to value. Despite the Catalyst Fund General Partner's efforts to acquire sufficient information to monitor certain of the Catalyst Fund's investments and make well-informed valuation and pricing determinations, the Catalyst Fund General Partner may only be able to obtain limited information at certain times. It is possible that the Catalyst Fund General Partner may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Catalyst Fund's investments. The Catalyst Fund General Partner may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective limited partners should be aware that as a result of these difficulties, as well as other uncertainties, any valuations made by the Catalyst Fund General Partner may not represent the fair market value of the securities acquired by the Catalyst Fund.

Investments in Technology Sector: The Catalyst Fund makes portfolio investments in the technology sector. Certain technology companies may have limited product lines or services, markets for financial resources, or may depend on a limited management group. In addition, these companies are strongly affected by worldwide technological developments, and their products and services may not be economically successful or may quickly become outdated by such developments.

Products and Services: The business strategies of the Catalyst Fund portfolio investments may be highly dependent upon the successful launch and commercialization of an innovative technology, device, process, service, system, etc. There can be no assurance that the research or product development efforts of the Catalyst Fund portfolio investments or those of its collaborative partners will be successfully completed, that specific products or services can be manufactured or provided in adequate quantities at an acceptable cost and with appropriate quality, or that such products or services can be successfully marketed or achieve customer acceptance. In those situations, the Catalyst Fund may incur a partial or total loss of the capital which it invested in its portfolio investments.

C. Recommendations of Particular Securities

VMG Funds have and will continue to seek to invest in portfolio companies involved in marketing-driven, branded consumer product companies primarily within the United States and Canada and involved in providing tech-enabled consumer products, services and experiences in North America. These companies may be subject to regulatory oversight. Changes in laws or regulations relating to consumer products companies could have an adverse effect on the portfolio companies of the VMG Funds. Please see Items 8.A and 8.B for additional risks associated with investments in the VMG Funds. In addition, prospective investors in VMG Funds are provided with more detailed information about risks before they invest in any VMG Fund.

ITEM 9 - DISCIPLINARY INFORMATION

VMG is not aware, after having conducted due diligence on the firm and its management persons, of any legal or disciplinary events that would be material to a client's or prospective client's evaluation of VMG's advisory business or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Material Relationships

VMG and its affiliates formed the existing VMG Funds to make investments in portfolio companies involved in marketing-driven, branded consumer product companies primarily within the United States and Canada and involved in providing tech-enabled consumer products, services and experiences in North America. VMG provides investment management services to such VMG Funds. These relationships and related management or other fees are disclosed in the private offering materials in connection with the launch of such VMG Funds.

Each of the General Partners of the VMG Funds are related persons of VMG. The General Partners are controlled by individuals who are also principals of VMG. As previously described, because the General Partners may receive a “carried interest” or performance fee, there may be an incentive for the General Partner and VMG to make riskier or more speculative investments on behalf of the VMG Funds than would be the case in the absence of these arrangements. VMG is affiliated with VMG Partners II GP, L.P., VMG Partners III GP, L.P., VMG Partners IV GP, L.P., VMG Partners V GP, L.P. and VMG Catalyst GP, L.P. These affiliated entities operate as a single advisory business together with VMG, serve as managers or general partners of the VMG Funds, may share common owners, officers, partners, employees, consultants or persons occupying similar positions, are under common control, and are subject to VMG’s code of ethics (“Code of Ethics”) and compliance programs adopted pursuant to the requirements of the Advisers Act.

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

A. Code of Ethics

VMG is a fiduciary to its clients, currently the VMG Funds. This means that VMG and its employees must put the interests of the VMG Funds first. To that end, VMG employees are required to:

- Place the interests of the VMG Funds above any personal interests;
- Seek to identify conflicts of interest and observe established resolution procedures as described in VMG’s Code of Ethics and compliance manual;
- Avoid misleading or inaccurate statements that may be attributed to VMG;
- Conduct personal securities transactions in a manner consistent with VMG’s Code of Ethics (including pre-clearance (if applicable) and reporting of transactions);
- Report any violations of VMG’s Code of Ethics, or VMG’s compliance manual generally, to its CCO; and
- Comply with VMG’s Code of Ethics, its compliance manual, and applicable provisions of the federal securities laws as well as any other laws applicable to VMG.

See Items 11.C and 11.D below for further details regarding VMG’s Code of Ethics.

Copies of VMG’s Code of Ethics are available to any client or prospective client upon request.

VMG’s policies and procedures for addressing conflicts of interest generally are also described in more detail at Item 8 above.

B. Participation or Interest in Client Transactions

VMG provides ongoing portfolio management services for the VMG Funds. VMG's Managing Members are responsible for monitoring and managing each respective VMG Fund's investment portfolio in accordance with the particular VMG Fund's investment objectives, limitations, and guidelines, and as set forth in the VMG Fund's governing agreements.

VMG is subject to restrictions disclosed to investors in the applicable VMG Fund offering materials and governing agreements relating to principal transactions, cross trades and other affiliated transactions, in which VMG or its employees may have interests that are averse to, or in any event potentially not aligned with, the interests of one or more of the VMG Funds.

A "principal transaction" occurs when VMG, or one of its affiliates, acquires investments from, or sells investments to a VMG Fund. Principal transactions are only permitted if made in accordance with the Advisers Act and applicable governing agreements which generally require, subject to certain limited exceptions, that VMG obtains the prior consent to such principal transaction of either the advisory committee of the applicable VMG Fund or a majority in interest of the investors of the applicable VMG Fund. To the extent that an affiliate of VMG may control one or more VMG Funds (*i.e.*, if the General Partner of a VMG Fund has a 25% interest in a VMG Fund that is entering into a transaction for the purchase or sale of a portfolio company investment from or to another VMG Fund, the transaction would be a principal transaction as discussed above), it faces conflicts of interest in seeking to establish fair terms for such a transaction.

VMG will not ordinarily enter into principal transactions. However, if the Managing Members of VMG deem it to be in a VMG Fund's best interest to be party to a principal transaction, VMG may enter into a principal transaction if the transaction complies with the governing agreement of the particular VMG Fund (which agreement will include provisions that comply with the Advisers Act) and consults with the CCO prior to entering into the transaction.

A "cross trade", *e.g.*, a sale of a portfolio company investment from one VMG Fund to another, also presents a risk that the terms of the transaction favor one VMG Fund (and its underlying investors) at the expense of the other VMG Fund. Absent special circumstances approved by the CCO or compliance with the procedures and limitations set forth in the applicable governing agreements of the VMG Funds, the consent of both VMG Funds is required for a "cross trade."

An "affiliated transaction" includes "principal transactions," "cross trades" and any other transaction in which VMG, its affiliates or its employees has any other interest in the transaction. The governing agreement of each VMG Fund will generally prohibit affiliated transactions with certain limited exceptions without the prior approval of either the advisory committee of the applicable VMG Fund or a majority in interest of the investors of the applicable VMG Fund. A VMG Fund may enter into an affiliated transaction if the transaction complies with the governing agreement of the particular VMG Fund and if the VMG Fund consults with the CCO (and, if appropriate, legal counsel) prior to entering into such transaction.

To address the conflicts of interest described above, VMG investment professionals prepare an investment memorandum for each new investment opportunity or other transaction. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with the Managing Members of VMG and/or legal counsel, if deemed appropriate, in

order to recommend courses of action to the Managing Members of VMG. The Managing Members of VMG determine the specific actions to be taken.

C. Personal Trading

VMG's principals, employees or senior advisors invest in other private equity investment vehicles (including single investor co-investments) managed by other advisers, including those which invest in consumer products. In some cases, the VMG Funds have purchased, and may in the future purchase, portfolio companies that are owned by such other investment vehicles, which may indirectly benefit any principals, employees or senior advisors.

Conflicts of interest may arise between a VMG Fund and VMG when VMG or a related person invests in the same securities that it recommends to VMG Funds, or has another interest in a transaction that is, or may be, in conflict with the interest of any of the VMG Funds.

VMG employees may have personal conflicts of interest, such as (i) a material interest in a transaction to be entered into with or for a VMG Fund, (ii) a relationship that gives or may give rise to a conflict of interest in relation to a transaction or (iii) another interest in a transaction that is, or may be, in conflict with the interest of any VMG Funds.

To address these conflicts, VMG's Code of Ethics (discussed in Item 11.A above) requires, among other items, that each VMG employee submit to the CCO a report of his or her current holdings of covered securities, including securities holdings of any account which such employee manages or exercises (or shares) investment discretion, as well as holdings of his or her immediate family members. The employee must update this report annually. In addition, VMG's Code of Ethics requires that all VMG employees disclose all outside business activities and other occupations and obtain the prior approval of the CCO before engaging in any such activities or occupations.

VMG's Code of Ethics also requires that all VMG employees and their immediate family members obtain the approval of the CCO before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or a private transaction (*e.g.*, private placements and limited offerings). The CCO may place additional restrictions on an employee's personal trading activities. The CCO monitors employees' personal securities trading for unusual or excessive trading patterns.

D. Personal Trading Contemporaneous with Client Transactions

Conflicts of interest may arise when VMG (or a related person) or its employees buy or sell securities for client accounts at or about the same time as it buys or sells the same securities for its own account. In these situations, VMG addresses actual or potential conflicts of interest in the manner outlined in Items 11.B and 11.C above.

In addition to the report of current holdings described in Item 11.C above, VMG's Code of Ethics requires that employees submit a quarterly transaction report giving information on the employee's personal trading activities. All VMG employees and their immediate family members must also obtain the approval of the CCO before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or a private transaction (*e.g.*, private placements and limited

offerings). The CCO may place additional restrictions on an employee's personal trading activities. The CCO monitors employees' personal securities trading for unusual or excessive trading patterns.

Employees are not permitted to buy or sell any security (or cause another person to do so) if the employee is in possession of "material" non-public information relating to the issuer or the transaction. Employees also may not disclose this information to a third party to use in securities transactions. In general, "material" information means information that would reasonably affect, or have a significant impact on, an investor's decision to buy or sell a security, or information that would have been viewed by a reasonable investor as having significantly altered the "total mix" of information available.

VMG seeks to allocate investment opportunities among the VMG Funds in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, term, investment restrictions and available capital of each VMG Fund. In addition, certain VMG Fund governing agreements prescribe additional requirements for the allocation of investment opportunities, which will be disclosed to investors prior to their investment in such VMG Fund. For Fund II and Fund III, under no circumstances may VMG or any affiliate allocate investment opportunities based on anticipated compensation or profits to VMG, any affiliates or their employees. Alongside Fund IV, VMG raised a committed blind pool co-invest vehicle, VMG Partners IV Coinvest, L.P. (the "Coinvest Fund"). All limited partners of the Coinvest Fund are also limited partners of Fund IV. In the event the Fund IV General Partner determines in its discretion to make available co-investment opportunities alongside Fund IV, it shall first offer any such co-investment opportunities to the Coinvest Fund, in amounts and at the discretion of the Fund IV General Partner; provided that the Fund IV General Partner may offer any such co-investment opportunities to strategic investors prior to offering such opportunities to the Coinvest Fund. The Fund IV General Partner shall collect a management fee and earn "carried interest" on investments made by the Coinvest Fund. The Coinvest Fund's allocable portion of partnership expenses, including broken-deal expenses, shall be reasonably determined by the Fund IV General Partner with reference to the aggregate capital commitments of the Coinvest Fund invested in a portfolio company or proposed to be invested in a prospective portfolio company in relation to the related aggregate capital commitments in Fund IV. For Fund V, the Fund V General Partner may, in its sole discretion, provide co-investment opportunities to any persons, including not but limited to strategic investors, lenders, employees of the Fund V General Partner, VMG or their respective affiliates, and one or more limited partner of Fund V. In the event that a potential co-investment opportunity results in broken-deal expenses and all or a portion of such amount is not paid or reimbursed by the potential Fund V co-investment vehicle or such vehicle's potential limited partner, other third parties or transaction participants, as applicable, Fund V shall be required to bear 100% of the amount of any such broken-deal expenses, except for the portion directly attributable to the formation of the co-investment vehicle that was established and closed upon solely for the benefit of the Fund V General partner or its affiliates. Each VMG Fund has its own investment guidelines, charter and organizational documents that are taken into account when making investment allocation determinations.

In exercising its investment allocation discretion, VMG may consider certain factors including (but not limited to): (i) the aggregate amount of co-invest opportunity available; (ii) the magnitude and nature of a potential recipient's relationship with VMG and its affiliates, if any; (iii) VMG's

assessment of which potential co-investors may be willing and able to pursue and complete the particular co-investment if offered and its understanding of the nature and/or size of opportunities in which the potential co-investor is particularly interested; (iv) VMG's views as to whether the involvement of any particular potential co-investor(s) could directly or indirectly benefit the VMG Fund generally, its pursuit of and investment in the particular portfolio company opportunity and/or the future business, activities or prospects of the portfolio company; (v) whether the potential recipient is expected to provide expertise or other advantages in connection with a particular co-investment; (vi) any relevant considerations made known to VMG by the portfolio company management team; and (vii) any further legal, regulatory or tax considerations, timing issues, and other special considerations arising as a result of the industry, sector, business or activities of the portfolio company that may affect or be affected by allocation decisions. Furthermore, as VMG may allocate co-investment opportunities as VMG determines in its sole discretion, the recipients thereof may include no limited partners, or one or more limited partners and not others (including others that may be similarly situated to those receiving allocations of co-investment opportunities), clients or potential clients of VMG or its affiliates, or funds or accounts established for any such persons, and on such terms as VMG determines in its discretion.

In addition to allocating co-investment opportunities on a case-by-case basis as they arise as described above, VMG may determine to provide priority rights with respect to future co-investment opportunities generally to certain limited partners (but not to other limited partners, including similarly situated limited partners) or other persons, including those described above, pursuant to commitments, arrangements or agreements between VMG and limited partners or other persons or through the formation of one or more funds or other vehicles in which such limited partners or other persons would invest.

As noted in Item 6 "Performance-Based Fees and Side by Side Management", VMG and its affiliates may raise co-investment funds, establish co-investment vehicles or otherwise make available direct co-investment opportunities, and the existence of, and participation by VMG and its affiliates in, such funds, vehicles and other opportunities may create conflicts of interest. VMG will generally select which investors or other persons are permitted to co-invest based on various factors, including (but not limited to) the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis, the investor's expression of interest or right to co-invest granted by such investor's side letter arrangement, and any other reason for including such investor or person.

Although a co-invest fund or co-investor will generally invest at the same time as a VMG Fund, it is possible that from time to time, for strategic and other reasons, a co-invest fund or co-investor may subsequently purchase a portion of an investment from a VMG Fund. In such event, the co-investment buy-down generally would occur shortly after the applicable VMG Fund's completion of the investment to avoid any changes in valuation of the investment. Such co-investors or co-invest funds typically dispose of their investments in the applicable portfolio company at the same time and on the same terms as the VMG Fund making the investment. In certain circumstances, a co-invest fund or other co-investor may evaluate a potential investment alongside a VMG Fund. Except as noted above with respect to the Coinvest Fund, if the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will typically be borne entirely by the primary VMG Fund or VMG Funds allocated such investment rather than the co-invest fund or other co-investor. In certain

cases, potential co-investors will not bear any subscription credit facility fees and expenses, which are generally allocated entirely to the applicable VMG Fund that is the borrower under such facility. In addition, in certain cases, a VMG Fund may bear expenses in respect of an existing or prospective portfolio company that will not be borne by other owners or investors in such portfolio company (including co-investors or co-invest funds), where VMG has determined such arrangement to be in the best interest of such VMG Fund (*e.g.*, a VMG Fund engages or pays for a consultant for services in respect of a portfolio company without reimbursement by other owners of the portfolio company).

Since VMG and/or its affiliates may be reimbursed for certain compensation and other fees and expenses that relate to the employment of certain expected portfolio company employees, they could have a conflict of interest in connection with the applicable VMG Fund's initial investment in such portfolio company and the resulting reimbursement of such amounts. In addition, as a result of the VMG Funds' controlling interests in portfolio companies, VMG and its affiliates typically have the right (i) to appoint, or to influence the appointment of, board members to such portfolio companies, (ii) to retain, or influence the retention of, certain persons to serve as employees or independent consultants (including consultants introduced or arranged by VMG and/or its affiliates that may regularly provide services to one or more VMG Fund portfolio companies, such as VMG Services Professionals) of a portfolio company and (iii) to determine or influence a determination of the compensation for such board member, employee or consultant. VMG Fund portfolio companies that engage any such consultants (including VMG Services Professionals) will bear their expenses and any compensation and/or fees for their services (which may include consultancy, advisory, directors', monitoring, transaction, sourcing or other similar fees), which may be paid on a retainer basis. Any fees paid by VMG Fund portfolio companies for services provided by VMG Services Professionals are typically collected in advance by VMG and then subsequently paid to the VMG Services Professionals in arrears. In addition, such compensation and fees paid to consultants or expense reimbursements received by such consultants from portfolio companies (or from a VMG Fund to the extent not paid or reimbursed by a portfolio company) will not offset the management fee. See Item 6 above for a discussion on how certain professionals may also be engaged by VMG and its affiliates and participate in the "carried interest".

Certain advisors and other service providers (including, without limitation, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms, developers or property managers and certain other advisors and agents) to the VMG Funds, VMG and/or certain entities in which a VMG Fund has an investment, or affiliates of such advisors or service providers, have provided and may in the future provide goods or services to or have business, personal, political, financial or other relationships with VMG, its affiliates or their respective portfolio companies. Such advisors or service providers (or their employees) have been and may in the future be investors in commercial counterparties or entities in which VMG has an investment, and payments by a VMG Fund and/or such portfolio companies may indirectly benefit VMG. Additionally, certain employees of VMG have had and may in the future have family members or relatives employed by advisors and service providers. These service providers and their affiliates have contracted or entered into, and may in the future contract or enter into, custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with a VMG Fund, the General Partners, VMG, any investor in the VMG Funds or any portfolio company in which the VMG Funds have made an investment. These relationships may

influence the General Partners or VMG in deciding whether to select or recommend such a service provider to perform services for a VMG Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such VMG Fund).

Such service providers or other consultants have provided and may in the future provide services to a VMG Fund or directly to a portfolio company. Fees paid and expenses reimbursed with respect to such service providers or persons are expected to be allocated to or borne by the VMG Fund and/or one or more portfolio companies depending on the particular services provided by the service provider or consultant and the terms of any agreement that may exist between the service provider or consultant and a portfolio company of the VMG Fund. None of the VMG Funds, the General Partners, VMG or any of their respective affiliates or related persons is entitled to all or any portion of the compensation or other amount payable to such persons (including, without limitation, any fees or any payments in respect of expense reimbursements), and such amounts shall not offset or reduce the management fee.

VMG and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the VMG Funds that will not be subject to the management fee offset or otherwise shared with the VMG Funds, investors and/or portfolio companies. For example, airline travel or hotel stays incurred as fund or account expenses typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to VMG and/or such personnel (and not the VMG Funds, investors and/or portfolio companies) even though the cost of the underlying service is borne by the VMG Funds, investors and/or portfolio companies.

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

Certain of the VMG Funds’ portfolio companies have been and may in the future be counterparties to or participants in agreements, transactions or other arrangements with or alongside other portfolio companies, including portfolio companies of any successor funds. In addition, the portfolio companies of VMG, the VMG Funds or any of their affiliates or any successor funds have transacted and may in the future transact amongst themselves in the ordinary course of their respective businesses on customary commercial terms.

VMG and its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the VMG Funds.

In addition, VMG Fund portfolio companies, from time to time, make discounts and other benefits available to employees in connection with products or services offered by such companies.

ITEM 12 - BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Given the nature of the VMG Funds' investment program, VMG does not usually transact through broker-dealers. However, in situations where VMG may need to select a broker-dealer, VMG will seek to obtain "best execution," although VMG is not obligated to obtain the lowest transaction price. VMG will also consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all client securities transactions. In addition, with respect to private company securities transactions on behalf of the VMG Funds, VMG may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant VMG Funds and/or their portfolio companies. In doing so, VMG may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although VMG generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the VMG Funds may not necessarily pay the lowest commission or fee for such services. VMG does not have any agreements in place that require that VMG give any specified amount of brokerage to any broker-dealer.

1. Research and Other Soft Dollar Benefits

In practice, the investment program of the VMG Funds managed by VMG typically does not include substantial investments in publicly traded securities. As a result, it is VMG's policy not to enter into soft dollar arrangements or to accept soft dollars.

2. Brokerage for Client Referrals

VMG does not consider whether it or a related person receives client referrals from a broker-dealer or a third party when selecting or recommending broker-dealers.

3. Directed Brokerage

Directed brokerage occurs when a client directs an adviser to execute transactions through a specified broker-dealer. This practice may cause clients to pay more money because the adviser cannot aggregate purchases or sales of securities with a broker-dealer and obtain a more favorable rate. Given that VMG or its affiliates maintain investment discretion on behalf of the VMG Funds, VMG can generally require the VMG Funds to use a specified broker-dealer, and the VMG Funds (and investors in the VMG Funds) do not select brokers to be used for VMG Fund transactions.

B. Aggregation of Orders of Securities for Client Accounts

Although the investments of the VMG Funds do not generally require the services of a broker-dealer, VMG may seek to aggregate orders of securities for the accounts of the VMG Funds where practicable.

ITEM 13 - REVIEW OF ACCOUNTS

A. Periodic Review of Client Accounts

The portfolio investments of VMG Funds are continuously reviewed by VMG's investment professionals. These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio investment owned by the VMG Funds. VMG's investment professionals perform periodic comprehensive reviews. In addition, the Managing Members of VMG meet on a regular basis regarding the VMG Funds. In connection with their regular meetings, the Managing Members will, among other things, (i) review market events and their effect on investments; (ii) discuss investment ideas, economic developments, current events, investment strategies and issues related to portfolio companies; (iii) review the operations, financial condition and other matters regarding the portfolio companies; (iv) consider any departures from applicable investment guidelines; and (v) assess any proposed investments or divestments, in whole or in part, of any portfolio companies. The offering materials for each VMG Fund contain additional specific descriptions of the oversight and monitoring of the portfolio investments of such VMG Fund.

B. Reports to Clients Regarding Their Accounts

VMG delivers written financial reports to the investors in VMG Funds on a quarterly basis. These reports include information relevant to the VMG Fund's investments (and each investor's investment in such VMG Fund). In general, the investors in VMG Funds receive written audited annual financial statements (including a balance sheet and a statement of income or loss) and a summary of the portfolio investments of the applicable VMG Fund. In addition to the information typically provided to all investors, VMG, in certain circumstances (e.g., in connection with a co-investment opportunity), has provided, and may in the future provide, certain investors with additional information with respect to a VMG Fund or portfolio company or more frequent reports that other investors will not necessarily receive.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Client Referrals

VMG does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the VMG Funds. VMG or its affiliates may receive directors' fees, transaction fees, topping and break-up fees, commitment fees, consulting fees, advisory fees, monitoring fees, financing fees, divestment fees or other fees in connection with portfolio investments or prospective portfolio investments of a VMG Fund or prospective portfolio investments of a VMG Fund. Typically, the management fees payable by each investor in a VMG Fund will be reduced by a certain percentage of its *pro rata* share of any directors' fees, transaction fees, topping and break-up fees, commitment fees, consulting fees, advisory fees, monitoring fees, financing fees, divestment fees or other fees received by VMG or its affiliates in connection with portfolio investments or prospective portfolio investments of a VMG Fund. VMG Funds that do

not pay a management fee do not receive the benefit of the offset or otherwise share in such fees. Offsets are applied after taking into account the effect of any management fee waiver.

B. Compensation for Client Referrals

VMG or its affiliates, from time to time, have entered, and may in the future enter, into arrangements in which persons who are not supervised persons (such as placement agents or financial advisors) assist in the capital-raising efforts of a VMG Fund in exchange for a fee. The fee paid, if any, to such persons may be calculated as a percentage of funds raised by such persons, as specifically negotiated between VMG and each such person or a flat fee. VMG Funds may pay a fee but such payments offset the management fee. These relationships could affect the independence of such person in connection with their recommendations of a particular VMG Fund. Neither VMG nor its affiliates engage any placement agent or finder that is not a member of FINRA (or, if applicable, corresponding non-U.S. authorities) and duly registered with the SEC as a broker-dealer. These types of arrangements are disclosed in the relevant VMG Fund offering materials.

ITEM 15 - CUSTODY

Due to VMG's access to funds, authority to deduct fees and other expenses from the VMG Funds and services by VMG's affiliates as General Partners of the VMG Funds, VMG is deemed under Rule 206(4)-2 of the Advisers Act to have custody of the VMG Funds' cash and securities. To the extent required by SEC rules, VMG generally maintains client funds and securities with "qualified custodians."

For those clients for which VMG is deemed to have custody of client assets within the meaning of the Advisers Act, such clients are audited and receive audited financial statements within 120 days of the end of each fiscal year (as do investors therein). Consequently, such clients (as well as investors therein) will not receive reports directly from VMG's "qualified custodian."

ITEM 16 - INVESTMENT DISCRETION

VMG has discretionary authority to manage the investment portfolios of each of the VMG Funds. This authority is limited by each VMG Fund's governing agreements and investment guidelines, as specifically negotiated between VMG and VMG Fund investors. Investment advice is provided directly to each VMG Fund and not individually to the limited partners of any VMG Fund. For additional discussion of limitations clients may impose on investing in certain investments or types of investments, see Item 4.C above.

ITEM 17 - VOTING CLIENT SECURITIES

A. Authority to Vote Client Securities

VMG has policies and procedures that VMG believes are reasonably designed to ensure that proxies are voted in the best interests of VMG Funds and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. Although VMG does not generally vote proxies for public companies, the general policy of VMG is to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) relating to VMG Funds in a manner that serves the best interest of the VMG Fund, as determined by VMG in its discretion, taking into account relevant factors, such as (but not limited to) the impact on the value of the returns of the relevant VMG Fund and industry and business practice.

If VMG determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, VMG will take action in accordance with the governing agreements of the applicable VMG Fund or as otherwise determined by VMG to be in the best interest of the VMG Fund in voting such proxy.

The CCO is responsible for identifying any potential conflict of interest for each proxy and reporting this information to the Managing Members of VMG. The Managing Members of VMG are responsible for determining how to vote such proxies and whether to confer with the advisory committee of an applicable VMG Fund before voting.

The CCO is responsible for monitoring compliance with VMG’s proxy voting policies and procedures. The CCO will also maintain, or have available, written or electronic copies of each proxy statement received and of each executed proxy, as well as all applicable records relating to each proxy.

A copy of VMG’s Proxy Voting Policy will be provided to any client, prospective client or investor in any VMG Fund upon request to Emily Eisenbarth, VMG’s Chief Compliance Officer, at eisenbarth@vmgpartners.com.

ITEM 18 - FINANCIAL INFORMATION

VMG is unaware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients. VMG has not been the subject of a bankruptcy petition at any time during the past ten years.