



MKH CAPITAL PARTNERS LP

**2655 S Le Jeune Rd, Ste 910
Miami, Florida 33134**

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This “**Brochure**” provides information about the qualifications and business practices of MKH CAPITAL PARTNERS LP (hereinafter “**MKH Capital Partners**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Adam Kamadia, by email at akamadia@mkhpartners.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

MKH Capital Partners has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that MKH Capital Partners or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about MKH Capital Partners is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is MKH Capital Partners' initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

MKH CAPITAL PARTNERS LP (hereinafter “**MKH Capital Partners**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Cayman Islands exempted limited partnership with a principal place of business Miami, Florida.

MKH Capital Partners will provide discretionary investment management services to qualified investors through its private funds: MKH CAPITAL PARTNERS OFFSHORE FUND I, LP; and MKH CAPITAL PARTNERS FUND I, LP.

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Funds make Mid-Cap private equity investments.

Following registration with the SEC, MKH Capital Partners intends to manage the following private, pooled investment vehicles:

- MKH CAPITAL PARTNERS OFFSHORE FUND I, LP, a Delaware limited partnership (the “**Offshore Fund**”);
- MKH CAPITAL PARTNERS FUND I, LP, a Delaware limited partnership (the “**Onshore Fund**”); and

The Onshore Fund and the Offshore Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”. Since they are also managed in parallel with one another, the Funds may also be referred to each as a “**Parallel Fund**”, or collectively as “**Parallel Funds**”.

The Onshore Fund’s “**Limited Partners**” and the Offshore Fund’s “**Limited Partners**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Agreement of Limited Partnership**.”

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2020, MKH Capital managed Regulatory Assets under Management (“RAUM”) of approximately \$149 million on a discretionary basis.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Agreement of Limited Partnership. A brief summary of such fees is provided below.

Management Fee

MKH Capital Partners is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds. The Investment Manager is paid a 2% investment management fee ("Management Fee") per annum on the capital balance of Class A Limited Partners.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

MKH Capital Partners is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

"Partnership Expenses" means all fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, Portfolio Companies or actual or potential investments, including with respect to any Person formed to effect the acquisition and/or holding of a Portfolio Company (to the extent not borne or reimbursed by a Portfolio Company or potential Portfolio Company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, Portfolio Companies and the Fund's actual and potential investments (including Follow-On Investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the Manager or the General Partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depositary, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or

pricing services), consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general Fund liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the Limited Partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, including Confidential Information; (xiv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any Partner or other Person pursuant to Section 6.7 or otherwise and advancing fees, costs and expenses incurred by any such Person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to this Agreement), except as otherwise set forth in this Agreement; (xv) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvi) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any Alternative Investment Vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such Alternative Investment Vehicle) that would be a Fund Expense if it were incurred in connection with the Fund; (xvii) the termination, liquidation, winding up or dissolution of the Fund; (xviii) actions taken by the General Partner with respect to any defaults by Partners in the payment of any capital contributions; (xix) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the Parallel Fund, the General Partner, the Parallel Fund General Partner, the Ultimate General Partner, the Manager and any alternative investment vehicle of the Fund or the Parallel Fund, including the preparation, distribution and implementation thereof; (xx) (A) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of the General Partner incurred in connection with the operation of the Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in Section 6.7; (xxi) unreimbursed costs and expenses incurred in connection with any Transfer or proposed Transfer contemplated by Section 7.3; (xxii) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a Reimbursing Partner or such tax, fee or charge is treated as having been distributed to the Partners pursuant to Section 7.6); (xxiii) distributions to the Partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; and (xxiv) any travel (including first-class travel or charter travel; provided, that the cost of such chartered travel shall be limited to the cost of first-class travel), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; but not including (A) any expenses included as part of the definition of "Investment Contributions" or (B) Management Fee Contributions. The foregoing shall be

Fund Expenses notwithstanding that they may be specially treated or excluded from being characterized as an expense under GAAP.

Item 6: Performance-Based Fees and Side-By-Side Management

We are entitled to a performance-based compensation and management fees. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

Investment Strategies

The Funds make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds' respective investment objectives, the Funds generally invest in control buyout equity investments in established middle market companies. In making these investments, MKH Capital Partners seeks to meet the following criteria:

- Invest in high quality, market-leading businesses;
- Partner with experienced management teams;
- Identify partner seeking sellers;
- Add value to the enterprise through corporate development and operational assistance;
- Focus on attractive risk-adjusted returns; and
- Evaluate businesses on a stand-alone basis and opportunistically pursue growth through acquisitions.

Methods of Analysis:

MKH Capital Partners uses due diligence to identify and evaluate risk, vet the value creation strategy, assess growth opportunities and identify ways to improve the overall competitive position of the company. MKH Capital Partners is also able to assess the "open-mindedness" of the management team during this process, which is important to successfully execute a value creation strategy that evolves over time. MKH Capital Partners seeks investments where the target company's strengths are sustainable and where weaknesses can be addressed and improved in the near term. MKH Capital Partners makes an investment when it can agree up front on a logical and achievable value creation strategy with the management team, and

where MKH Capital Partners can develop and agree on an initial “blueprint” for post investment action items.

A key component of the due diligence process is identifying objective outside experts with specific knowledge of the subject industry to supplement in-house industry and market sector knowledge of the firm. MKH Capital Partners typically performs end-user surveys where MKH Capital Partners team members and market consultants speak directly to the existing and potential customers and vendors of the target business. MKH Capital Partners further supplements its business due diligence efforts by employing experts to address other important areas (e.g., manufacturing process and capacity reviews, accounting reviews including assessments of financial reporting and information systems, insurance and employee benefits reviews, environmental practices/risks assessments, legal and regulatory reviews, tax issues, etc.). One of the final products of the due diligence process is a detailed multiyear forecast and business plan for the targeted acquisition. The management team’s incentive compensation is based in part on the company achieving the operating profit targets of this forecast, which in turn would deliver certain levels of return to MKH Capital Partners.

Business due diligence culminates in several round-table meetings where a thorough review of each potential investment is conducted, assumptions are challenged and various downside scenarios are discussed. After feedback is collected and discussed as a team, MKH Capital Partners will make a final determination on each prospective investment.

Risks

INVESTMENT RISK FACTORS

The General Partner seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to the industry in which the Partnership’s investments conduct their operations, as well as general economic and political conditions, may have a significant impact on the operations and profitability of the Partnership’s investment and/or on the fair value of the Partnership’s investment.

The above events are beyond the control of the Partnership and cannot be predicted. Furthermore, the ability to liquidate investments and realize value is subject to significant limitations and uncertainties. There is also a risk associated with the concentration of the Partnership’s investment primarily in North America.

MARKET AND OTHER RISK FACTORS

Market Risk

The investment of the Partnership is subject to normal market fluctuations and other risks inherent in investing in private investments, and there can be no assurance that any appreciation in value will occur. The value of investments can fall as well as rise, therefore investor realizations may not be equivalent to the invested amount.

Concentration Risk

The General Partner seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to the industry in which the Partnership's investment conducts its operations, as well as general economic and political conditions, may have a significant impact on the operations and profitability of the Partnership's investment and/or the fair value of the Partnership's investment.

Certain events are beyond the control of the Partnership and cannot be predicted. Furthermore, the ability to liquidate the investment and realize value is subject to significant limitations and uncertainties. There may also be risk associated with the concentration of the investment in a few geographic regions or in one certain industry.

Co-Investments

The Partnership may co-invest with limited partners or third parties through joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-venturer of the Partnership may experience financial, legal or regulatory difficulties, may have economic or business interests that are inconsistent with the Partnership, may take a different view from the General Partner as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to the Partnership's investment objectives.

Covid-19 Pandemic

The recent Covid-19 pandemic (the "pandemic") has had serious and adverse consequences to business conditions in the United States, the principal geographic area in which the Partnership invests, and elsewhere around the globe following January 1, 2020, including limitations on travel, transportation, education, production of goods, provision of services and businesses operations generally. Further, during the first half of 2020 the equity and other securities markets experienced significant volatility, with substantial losses in the equity markets during the 1st quarter of 2020 as compared to the December 31, 2019 year end. Although the long-term economic fallout of the pandemic is difficult to predict, the challenging business conditions currently faced by the Partnership's portfolio company may potentially have adverse effects on its financial performance and, as a result, possibly impact the valuation of the Partnership's investment in future periods. The General Partner and the Manager do not expect the degree of possible impact to be material during 2021 or the future ownership period beyond 2021.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

MKH Capital Partners has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading “**Reportable Securities**” (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives) except for the purpose of holding or liquidating any such holdings. Employees are permitted to liquidate positions held in Reportable Securities (a “**Liquidating Trade**”) subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings (“**IPOs**”). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request.

Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser may invest in the Funds, either through the General Partners, as direct investors in the Funds, through co-investment vehicles formed to make the General Partners’ required co-investment in portfolio companies, pursuant to secondary purchases of interests in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below. Due in part to the fact that potential investors in a Fund or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser engages in activities providing transaction-related, investment advisory, management and other services to funds and portfolio companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below. The Adviser may, from time to time, establish certain investment vehicles through which certain employees of the Adviser or its affiliates invest alongside one or more Funds in one or more investment opportunities as required under the terms of the applicable Fund's partnership agreement. Such vehicles, referred to herein as "co-investment vehicles," generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles do not pay Advisory Fees or Carried Interest.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- (3) On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Item 12: Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

MKH Capital Partners is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission

rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Neither MKH Capital Partners nor any related person receives client referrals from any broker-dealer or third party.

Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include employees, business associates and other "friends and family" of the Adviser or its personnel, Fund investors and third parties);
- Fund investors and/or third parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Fund investors and/or third parties acting as "co-sponsors" with the Adviser with respect to a particular transaction.

In recognition of its fiduciary duties, it is the policy of the Adviser to treat its clients fairly and equitably in the allocation of investment opportunities and transactions more generally. The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, "Investment Allocation Requirements"), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements may be set forth in the instrument under which the Fund was established (such as a Fund's limited partnership agreement or private placement memorandum), or in side letters. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

In circumstances where more than one Fund is eligible to participate in an investment after taking into account the Investment Allocation Requirements, each Fund's limited partnership agreement (or analogous organizational document) and any other applicable legal, regulatory or contractual restrictions, the Adviser will determine, in its discretion, how to allocate such opportunities. In doing so, the Adviser may consider a wide range of factors, including, without limitation, each Fund's investment objectives and investment focus, each Fund's liquidity and reserves, each Fund's diversification, the amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment, the stage of development of the prospective portfolio company or other investment, the composition of

each Fund's portfolio and any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund.

The Adviser will seek to make all allocations of investment opportunities among the Funds in a fair and equitable manner, and will not favor or disfavor, consistently or consciously, any Fund or class of Funds in relation to any other Funds. Further, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund, (ii) the profitability of any Fund or (iii) any person's interest in offering or participating in co-investment opportunities outside of any Fund.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, and (iv) certain persons other than investors in the Funds may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons.

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds, and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' organizational documents/side letter agreements and as set forth in the following paragraphs.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds and other potential co-investors, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The potential co-investment amount;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the

potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);

- Whether the potential co-investment party has expressed interest in co-investment opportunities; and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Fund investors and third parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, the Adviser may consider the factors listed above in exercising such discretion. Subject to any restrictions in the organizational documents of the applicable Fund, the Adviser or its related persons may be asked to identify a limited number of Fund investors or third parties to potentially acquire the interest being transferred.

The appropriate allocation between Funds, Fund investors and third parties of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the organizational documents of the Funds, as applicable.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and may be permitted to invest directly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Item 13: Review of Accounts

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are generally reviewed by the team of investment professionals at MKH Capital Partners' firm-wide meetings on a bi-monthly basis. Moreover, the Adviser has a board of advisors of the limited partners that are selected by the general partner. The board of advisors provides a second level of review of each client portfolio company on a periodic basis.

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as unaudited financial statements within 45 days after each of the first three fiscal quarter ends. In addition, a detailed presentation of portfolio company investments and fund performance is presented to investors at an annual meeting. The presentation is distributed to investors who are unable to attend the meeting. The Adviser and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Management of the Funds

The Adviser manages a number of Funds that may have investment objectives similar to each other. The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities" above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including Funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Side Letter Agreements

The Adviser may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

The Funds have established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all, limited partners are permitted to designate a member to the advisory committee. The advisory committee may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee.

Other Potential Conflicts

The limited partnership agreement (or analogous organizational document) of a Fund establishes complex arrangements among the Funds, the Adviser, investors and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the limited partnership agreement (or analogous organizational document), if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser or current or former portfolio companies. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Item 14: Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a

description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Advisory Fees received by the Adviser are generally reduced by the amount of such fees.

Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Adviser, its affiliates, other portfolio companies of the Adviser's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.

Item 15: Custody

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to MKH Capital Partners.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Item 16: Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the "proxy voting rule"), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable Client's best interests and is in line with the Client's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.