

Form ADV Part 2A: FIRM BROCHURE



1601 Dodge Street, Suite 3800
Omaha, NE 68102

Contact: Teri L. Mercer
Tel: (402) 932-8600
Email: info@mccarthycapital.com
www.mccarthycapital.com

March 27, 2023

This brochure (“Brochure”) provides information about the qualifications and business practices of McCarthy Partners Management, LLC (“MPM” or “Firm”). If you have any questions about the contents of this Brochure, please contact us at (402) 932-8600 or info@mccarthycapital.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.

MPM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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

Item 2 – Material Changes

Since MPM’s last Brochure filing on March 28, 2022, the Firm has closed on a new investment vehicle as identified in the Form ADV Part 1, Schedule D, Section 7.B.1.

MPM routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year’s filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2022; and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

Item 3 – Table of Contents

Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	12
Item 7 – Types of Clients.....	14
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	17
Item 9 – Disciplinary Information	49
Item 10 – Other Financial Industry Activities and Affiliations.....	50
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...52	
Item 12 – Brokerage Practices.....	55
Item 13 – Review of Accounts	56
Item 14 – Client Referrals and Other Compensation.....	58
Item 15 – Custody	58
Item 16 – Investment Discretion.....	59
Item 17 – Voting Client Securities.....	60
Item 18 – Financial Information	61

Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

McCarthy Partners Management, LLC, together with its fund general partners and affiliates, unless the context otherwise requires (“MPM” or the “Firm”), a Delaware limited liability company, is a private equity firm based in Omaha, Nebraska, with a satellite office in Wellesley, Massachusetts. Founded in 1999 as McCarthy Capital Corporation with the initial mandate to invest in private and public companies in the lower middle market, MPM and its affiliates provide discretionary investment advisory services to their clients, which consist of private investment funds. MPM also acts as the investment adviser to private funds previously advised by the former McCarthy Capital Corporation.

Since formation, MPM has evolved its core strategy to make control and substantial minority investments in lower-middle market private companies in a mix of growth equity, recapitalizations, management buyouts and real estate investments. The Firm is typically the first institutional capital in its underlying portfolio companies, which presents its private fund clients with the ability to effect change and to implement value-add growth initiatives, creating opportunities to create scale. MPM’s private funds grow underlying businesses in partnership with management teams, pursuing a variety of proprietary strategies as they seek to create long-term growth and value.

MPM serves as the investment adviser for, and provides discretionary investment advisory services to, private funds (the “Funds”) which are exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”). In addition, in certain circumstances, as more fully described in Item 7 below, the Firm permits certain investors and third parties to co-invest alongside a Fund directly into a portfolio company. For more information about the MPM Funds, please see the Firm’s Form ADV Part 1, Schedule D, Section 7.B.(1), Private Fund Reporting.

Most Funds are affiliated with a general partner with the authority to make investment decisions on behalf of the Fund (the “General Partner”, and collectively the “General Partners”). These General Partners are deemed registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to MPM’s registration in accordance with SEC guidance. The applicable General Partner of each Fund retains investment discretion and investors in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, MPM has been delegated the role of investment adviser. For the Funds where there is no general partner, MPM or an affiliate serves the role of general partner and has similarly been delegated the role of investment manager. For more information about the General Partners and affiliates, please see the Firm’s Form ADV Part 1, Schedule D, Section 7.A., Financial Industry Affiliations.

Principal Owners/Ownership Structure

MPM is owned by MCP Management Corporation, which is fully owned by members of the investment team. For more information about MPM's owners and executive officers, see MPM's Form ADV Part 1, Schedules A and B.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

MPM provides investment advisory and management services as a private equity fund manager to its Funds. Certain Funds invest through privately negotiated transactions in operating companies, generally referred to as "portfolio companies." Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although the senior principals or other personnel and/or affiliates of MPM will generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds. In addition, in some cases, MPM will more directly influence the day-to-day management of the company by assisting with the hiring of certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. MPM's investment advisory services for the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investment, managing and monitoring investments and achieving dispositions of such investments. Investments are made predominantly in non-public companies, although in infrequent circumstances, a Fund is permitted to invest in a public company. Specifically, on occasion, MPM has invested in a public company, a MPM portfolio company has gone public through an initial public offering or a MPM portfolio company has gone public through a merger with a special purpose acquisition company.

Other Funds invest in real estate or real estate related assets across various asset classes. Real estate investments are frequently made with a joint partner, operator and/or developer. For purposes of this Brochure, references to "portfolio company" refers to all investments, unless the context otherwise requires.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

MPM does not customize its advisory services to the individual needs of investors in its Funds; the Firm's investment advice and authority for each Fund is tailored to the investment objectives of that Fund. These investment objectives are described in the offering memorandum, limited partnership agreement or operating agreement, subscription documents, side letter agreements and other

governing documents of the relevant Fund, including without limitation, management or advisory agreements (collectively, “Governing Documents”) and investors determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not vary its advice from the terms of the Governing Documents, nor does it seek or require investor approval regarding each investment decision.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letters agreements. Investors in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, MPM has entered into side letters or similar agreements with certain investors including those who make substantial commitments of capital or were early-stage investors in the Funds, or for other reasons in the sole discretion of MPM, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund’s Governing Documents. Examples of side letter rights entered into include notification provisions, advisory board representation, reporting requirements and “most favored nations” provisions, among others. These rights, benefits or privileges are not always made available to all investors nor in some cases are they required to be disclosed to all investors, consistent with general market practice. Side letters are negotiated at the time of the relevant investor’s capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors,

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

MPM does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.

As of December 31, 2022, MPM managed regulatory assets under management of approximately \$2.9 billion, all on a discretionary basis.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

MPM and its affiliates and General Partners receive fees and compensation in exchange for advisory

services provided to the Funds, including management fees, carried interest, additional compensation in connection with management services performed for the portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees, compensation and expenses of the Funds. Investors should refer to the Governing Documents of the applicable Fund for an understanding of how MPM is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees

MPM charges each Fund a management fee (the “Management Fee”), generally ranging from 1.5% to 2% per annum of non-affiliated investor capital (either committed or invested, depending on the life-stage of the applicable Fund), which amount varies by Fund. For certain Funds, Management Fees are initially calculated based upon each investor’s committed capital for the period of time during which each Fund is making investments; thereafter, the Management Fee is equal to a percentage of each investor’s invested capital with respect to investments that have not been disposed of or completely written-off. For other Funds, Management Fees are initially based on the total capital commitments made to the Fund and thereafter based on the net asset value of the remaining assets in the Fund determined as of the previous quarter end. For yet other Funds, Management Fees are calculated solely based on net asset value. For calculations involving net asset value, such amount is determined by the respective portfolio company manager and then approved by the MPM investment committee.

The General Partners (and/or an affiliate of the Fund in the case where such Fund does not have a General Partner) are permitted, in their sole discretion, to waive all or a portion of the Management Fee. Fees are generally waived for MPM employees, affiliated investors and their families investing in a Fund (although such investors generally pay their pro rata share of certain Fund expenses). Similarly, in the event MPM forms a co-investment vehicle, such vehicles have historically paid no Management Fee (but again, such investors generally pay their pro rata share of certain Fund expenses as described more fully below).

Management Fees are billed to each Fund or its General Partner (and/or an affiliate of the Fund in the case where such Fund does not have a General Partner) and paid by each Fund from the Fund’s assets. To obtain cash for the payment of Management Fees, the Fund and/or its General Partner (or such affiliate) is permitted to draw down on the investors’ capital commitments. Management Fees are exclusive of (i) reimbursements made by a portfolio company and (ii) other expenses incurred by a Fund (as discussed later in Item 5.C below), which are borne by and payable out of the assets of the particular Fund and not by MPM.

Management Fee Offset

For certain Funds, Management Fees will generally be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by MPM in connection with the organization of a Fund that exceed a limit as specified in such Fund's Governing Documents; and (iii) certain supplemental fees and compensation with respect to portfolio companies, including closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors' fees and other similar fees, the amount of which are paid by the Funds (directly, or indirectly by the portfolio companies). In the event MPM were to charge such fees, 100% of all net supplemental fees paid by a Fund's portfolio companies that exceed unreimbursed costs and expenses (including for consummated and unconsummated transactions) during any calendar year (in the case of Funds formed prior to Fund VII) or against the Management Fee payable in the following quarter (in the case of Fund VII) will be treated as an offset against the Management Fee payable in the following year (in the case of Funds formed prior to Fund VII) or against the Management Fee payable in the following quarter (in the case of Fund VII).

For clarity, the following fees and expenses do not offset Management Fees, in each case as applicable: (i) any directors' fees earned by a third party appointed by MPM to serve as a director for a Fund portfolio company; (ii) portfolio company directors' or board fees paid by a portfolio company to a former MPM employee who remains on the portfolio company's board of directors following his or her departure from MPM; (iii) reimbursements from a portfolio company; (iv) fees or expenses borne by a Fund; (v) broken deal expenses; and (vi) profits interests or compensation to an affiliate that was entered into prior to such person becoming an affiliate of MPM, regardless of when the interests, compensation or amounts crystallize or vest. Further information regarding permissible fees and expenses, as well as the amount and manner of any Management Fee reduction associated therewith, is set forth in the relevant Governing Documents.

In the case of Funds formed prior to Fund VII, if offsets exceed the Management Fee for a given annual period, the Management Fee will not be reduced below zero and, therefore, such offsets will not be carried forward to the subsequent period. However, for Fund VII, to the extent that such an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to investors that have not elected to waive such amount for tax or other reasons.

Carried Interest

As described more fully in Item 6 below, for most of the Funds, the Fund's General Partner (and/or an affiliate of the Fund in the case where such Fund does not have a General Partner) is entitled to be allocated carried interest ("Carried Interest") with respect to the Funds, which is generally a range between 10% and 20% of all realized profits in excess of (in most cases) an 8% annually compounded

preferred return. Some Funds charge a lower Carried Interest allocation and do not have a preferred return hurdle. For certain Funds, Carried Interest is calculated based on the financial interest of the main investor.

Administrative Fee

For one Fund, MPM charges a quarterly administrative fee based on the amount of assets under management, as described in the management agreement with such Fund. The administrative fee is paid at beginning of the quarter and trued up quarterly for any fair market value adjustments.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

Management Fees are generally paid quarterly in advance, but for some Funds are paid partially in advance and partially in arrears. Each of the Funds maintains for each investor in such Fund a capital account that is adjusted to reflect the Carried Interest allocation, the Management Fee, Fund Expenses (as defined below), capital contributions and other similar changes during the term of the particular Fund.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Fund Expenses

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. The Funds will generally pay all fees, costs, expenses, liabilities and obligations relating to the Funds' and/or their subsidiaries' and intermediate entities' activities, business, portfolio companies or actual or potential investments, including with respect to any entity 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 originating, identifying and sourcing of investment opportunities for the Funds, including meeting with consultants, broker-dealers, investment banks and other sources of investments and developing an investment pipeline; (ii) activities with respect to structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding-up, liquidating, dissolving or otherwise disposing of, as applicable, portfolio companies and any 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, tax professionals, investment bankers, lenders, expert networks, third-party diligence and deal-sourcing software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (iii) indebtedness of, or guarantees made by, the Funds, the Firm, a General Partner or any affiliated partner on behalf of the Funds (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository (including any depository appointed pursuant to the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof, trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with compliance with any anti-money laundering laws and regulations and any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services as well as costs related to the establishment or maintenance of such other services), consulting (including consulting and retainer fees, salary and other compensation paid and benefits provided to consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services; (viii) reverse breakup, termination and other similar fees; (ix) insurance (including directors and officers liability, fidelity bond, cyber-security, portfolio company management liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and the costs of any consultants or other advisors utilized in the procurement, review and analysis of insurance policies; (x) filing, title, transfer, survey, registration and other similar fees and expenses; (xi) printing, communications, mailing, courier, marketing and publicity; (xii) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with investors, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports) or other information, including fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xiii) expenses associated with the reporting, filings or other ongoing compliance requirements contemplated by the AIFMD (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (xiv) compliance with any financial account reporting regime applicable to the Funds, any alternative investment vehicle and/or the relevant General Partner, including FATCA, the OECD Standard for

Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, and any fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xvi) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs and expenses incurred in connection with the EU Data Protection Law or the Freedom of Information Act); (xvii) to the extent provided in the relevant Governing Documents, or otherwise approved by the applicable General Partner in its sole discretion, activities or proceedings of the relevant advisory board (including any costs and expenses incurred by representatives of the applicable General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xviii) indemnification obligations (including legal and any other fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that is subject to a right of indemnification pursuant to the applicable Governing Documents), except as otherwise set forth in such Governing Documents; (xix) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xx) any annual investor meeting or other periodic, if any, meetings of the investors and any other conference, meeting or webcast with any investor(s), and any periodic executive forum of portfolio company management and other persons, regardless of whether all of the individuals attending or otherwise participating in any such meeting are Fund investors or representatives thereof; (xxi) the Management Fee; (xxii) except as otherwise determined by the relevant 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 (as defined below) if it were incurred in connection with the Funds, and any expenses incurred in connection with the formation, management, operation, termination, winding-up and dissolution of any feeder vehicles related to the Funds to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of any Fund and/or its affiliated entities; (xxiii) the termination, liquidation, winding-up or dissolution of the Funds and any legal entities owned directly or indirectly by such Funds, including portfolio companies and related entities; (xxiv) defaults by investors in the payment of any capital contributions; (xxv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Funds, any parallel fund, the relevant General Partner(s) or parallel fund general partner(s), the Firm, any entities owned directly or indirectly by the Funds (including portfolio companies) and any alternative investment vehicle of the Funds or a parallel fund, including the preparation, distribution and implementation thereof; (xxvi) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money

laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider fees, costs and expenses related thereto, any regulatory expenses of a General Partner incurred in connection with the operation of the applicable Fund and any costs and expenses related to compliance with any environmental, social or governance or other investment considerations and policies of a General Partner and/or a Fund and/or (B) any costs and expenses related to the validation of any payments made to a Fund or a General Partner in connection with any voluntary or compulsory review (including any anti-money laundering laws, rules or regulations); (xxvii) any litigation or governmental inquiry, investigation or proceeding, including any costs and expenses of discovery related thereto and 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 the Governing Documents; (xxviii) any experts, including independent appraisers, engaged by a General Partner in connection with the relevant Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more investment vehicles (other than the Funds) managed or controlled by such General Partner or any of its affiliates; (xxix) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated in the relevant the Governing Documents or any investor's name change, internal restructuring or change in registered agent or custodian; (xxx) any taxes, fees and other governmental charges levied against the Funds and/or any alternative investment vehicle and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of the Funds and/or any alternative investment vehicle (except to the extent that such Fund is reimbursed therefor by a reimbursing partner) and any costs and expenses of or related to the tax representative; (xxxi) distributions to investors and other expenses associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxxii) compliance or regulatory matters, except as otherwise set forth in the applicable Governing Documents, including compliance with such Governing Documents and/or any letter agreement; (xxxiii) amendments to, and waivers, consents or approvals pursuant to, side letters and similar agreements with investors and the "most favored nations" election processes in connection therewith; (xxxiv) any travel (including, where appropriate as determined by the relevant General Partner, the cost of using or chartering private aircraft or other private air travel at a cost not to exceed the cost of corresponding first class commercial airfare, other air travel, car or ride sharing services and other modes of transportation), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the applicable General Partner or the Firm at any trade conference, including any applicable registration fees and exhibition, sponsorship or other presentation fees, costs and expenses; (xxxvi) any Organizational Expenses (as defined below); (xxxvii) any placement fees; (xxxviii) for the real estate Fund only, property management, leasing, construction management, development, environmental, brokerage, sales agents and other services and (xxxix) any other fees, costs, expenses, liabilities or obligations approved by the advisory board (together the "Fund Expenses").

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated

transaction. Out-of-pocket expenses associated with unconsummated transactions (*i.e.*, broken deal expenses) are paid by the relevant Fund(s) selected as proposed investors in such transaction.

More information about MPM's brokerage practices is available in Item 12.

Expense Reimbursement

Certain expenses related to MPM's oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by MPM and reimbursed by a portfolio company or paid directly by a portfolio company. Such expenses can include, without limitation: (i) travel expenses, which can include expenses for chartered or first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) use of premium black car and other car services, which from time to time include waiting time and (b) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours); (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) corporate filings; (viii) certain legal expenses; (ix) similar out-of-pocket expenses; (x) consulting fees; and (xi) other consideration and expenses.

In addition, to the extent a Fund or MPM initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, MPM will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or MPM for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by MPM, a General Partner or their respective affiliates will not be offset against the Management Fee payable by the Funds.

Offering and Organizational Expenses

Each investor will bear its pro rata share of the applicable Fund's, the General Partner's and the affiliate's organizational expenses attributable to the organization of the Fund and the sale of interests ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of each Fund. Any amount incurred for Organizational Expenses in excess of the amount specified in each Fund's Governing Documents will be paid by MPM (which will generally take the form of an offset to Management Fees) and not the relevant Fund or its investors.

Co-Investment Expenses

In certain circumstances, MPM permits certain investors to co-invest in investments alongside one or more Funds, subject to MPM's related policies and procedures, the relevant Governing Documents and/or side letter(s) or similar arrangements. In such circumstances, co-investors will pay their own separate expenses or fees with respect to any due diligence, legal or accounting review, fees of other professionals or other fees associated with administration, management and dispositions of such co-investment securities, and shall reimburse the participating Fund if such Fund incurs additional incremental expenses, fees or other charges as a result of an investor's participation in such co-investment.

In the event a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any fees and expenses generated in the course of evaluating such investments, including out of pocket fees associated with due diligence, attorney fees, fees of other professionals and various other fees relating to such proposed but not consummated transaction ("broken deal expenses") therefore will generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. Co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a portfolio company through a co-investment vehicle or other special purpose vehicle in connection with such transaction (such as for a follow-on investment for the portfolio company for which the Co-Investment Fund was originally created) such vehicle and/or co-investor is expected to bear its share of such broken deal expenses (which will generally be recorded at such portfolio company).

Fee Receipt Allocation

From time to time, MPM, a Fund or portfolio company agrees to pay a transaction fee, portion of the Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, adviser, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. Such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to the relevant Fund at the time of such portfolio company's sale. None of these fees or compensation offset Management Fees payable by a Fund.

Allocation of Fees and Expenses

In good faith and in its fair and reasonable discretion, MPM determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company.

To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, MPM will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation, unless another method is more equitable. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by MPM.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

The Funds pay Management Fees quarterly, typically in advance although in certain instances Management Fees are paid in arrears. Management Fees are expected to be paid, except as otherwise described in the relevant Governing Documents, and investors generally are not permitted to withdraw or redeem interests in the Funds.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Neither MPM nor any supervised person accepts compensation for the sale of securities or other products, other than as described in this Item 5 and in Item 6 below.

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. The relevant General Partner (and/or an affiliate of the Fund in the case where such Fund does not have a General Partner) receives a Carried Interest allocation on certain realized profits in the Funds equal to 10% to 20% of all realized profits (depending on the Fund) subject to, in most cases, an 8% annually compounded preferred return (or hurdle) and subject to reimbursement of all relevant Fund Expenses, including Management Fees. Some Funds pay lower

Carried Interest and do not have a preferred return hurdle. For one Fund, Carried Interest is calculated based on the financial interest of the main investor.

Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a General Partner (or affiliate) as portfolio holdings are liquidated or otherwise monetized and is subject to a potential after-tax giveback if the respective General Partner (or affiliate) has received excess cumulative distributions. Each Fund maintains for each of its investors in such Fund a capital account that is adjusted to reflect the Carried Interest allocation, the Management Fee, Fund Expenses, capital contributions and other similar changes during the term of the particular Fund. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by all investors prior to investment in such Fund.

MPM's Carried Interest allocations have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner or an affiliate of each Fund is permitted, in its sole discretion, to waive or reduce the amount of Carried Interest for a Fund and for an investor in a Fund. Specifically, certain Funds charge a lower Carried Interest and Carried Interest is generally waived for MPM employees, affiliated investors and their families investing in a Fund. Moreover, the General Partners of the Funds are all affiliates of MPM, and some of MPM's affiliates and employees are members of the General Partner entities that receive Carried Interest distributions from the Funds.

The fact that the Carried Interest allocations are based on the performance of each Fund can create an incentive for MPM to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest, if applicable. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of MPM to establish new investment funds; (ii) any losses a Fund sustains will reduce the General Partner's or affiliate's Carried Interest distribution; (iii) Carried Interest is generally calculated only after investors have received as distributions 100% of their capital contributions plus a preferred return; (iv) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the investors; and (v) MPM's ability to attract future investors is tied to the performance of its investments.

MPM manages multiple Funds and other investment vehicles on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to MPM's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. These conflicts of interest can create an incentive for the Firm or its personnel to favor a Fund or other investment vehicles in which MPM or an affiliate has a greater financial interest. To the extent that MPM has Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or MPM personnel are assigned varying percentages of Carried Interest from a Fund, MPM and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, MPM allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with MPM's policies and procedures regarding investment allocation, applicable Governing Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which can include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by MPM. In practice, this conflict only arises where two or more Funds with capital available for investment have overlapping investment profiles and the potential investments are suitable for two or more of these Funds. Generally, the Funds that MPM manages that are actively seeking new investments do not have the same investment objectives. MPM's policies and procedures regarding investment allocation are designed to ensure that all investment decisions are made in accordance with MPM's fiduciary duties to its Funds and without consideration of MPM's (or its affiliates' or employees') pecuniary interest. Further, MPM 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 or (ii) the profitability of any Fund. Investment allocation decisions are determined by the investment committee.

Item 7 – Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

MPM provides investment advice to the Funds. With the exception of an employee-owned investment vehicle, the Funds limit their investors to (i) "accredited investors" as defined in the Securities Act of 1933, as amended (the "Securities Act"), (ii) "qualified clients" as defined in the Advisers Act, and (iii) "qualified purchasers" or "knowledgeable employees," each as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"). Investors in the Funds must also meet certain other suitability qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act, are not made available to the general public, their securities are not registered or required to be registered under the Securities Act and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to MPM and/or the Funds. The Funds have required minimum capital commitments from each investor, which have generally ranged from \$1.0 million to \$5.0 million, depending on the Fund and the type of investor being admitted, although lesser commitments have

been accepted in the discretion of the applicable Fund's General Partner (and/or an affiliate of the Fund in the case where such Fund does not have a General Partner).

The investors participating in the Funds include individuals, other investment entities and private funds, university endowments, family offices, pension and profit-sharing plans, trusts, estates or other corporations or business entities and include, directly or indirectly, principals or other employees of MPM and its affiliates and members of their families, as well as service providers engaged by MPM.

On occasion, MPM offers co-investment opportunities for certain investors to invest alongside a Fund in certain Fund portfolio companies. MPM will generally pursue all appropriate investment opportunities through its Fund vehicles, subject to certain limited exceptions. MPM, from time to time, requires additional capital in order to complete a portfolio company transaction and frequently reaches out to select investors for additional capital. These co-investments are not managed by MPM, are not subject to custody by MPM and are not deemed to be clients of MPM. Nevertheless, MPM will perform management, advisory and other services for the portfolio companies in which these co-investment vehicles invest alongside the Funds, generally at no additional cost to such vehicles except portfolio company fees and expenses (which such expenses are recorded at the portfolio company).

Co-investment opportunities are made available to select Fund investors and third parties, including, without limitation, management or founders of the applicable portfolio company, strategic investors, lenders, deal sources, other private equity or venture capital firms, or other persons or entities affiliated, associated or otherwise known to MPM or its personnel and unrelated third parties. These co-investment opportunities arise when MPM has the opportunity for an investment in an existing or prospective portfolio company and MPM determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund's Governing Documents or otherwise or (iv) MPM believes the Fund will benefit from the participation of the co-investor(s). Such determinations are based on the provisions of the applicable Governing Documents, side letter agreements, agreements with lenders and such other factors as MPM will consider in its sole discretion, including those specified in its policies on investment allocation and co-investments. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-investment opportunity. Additionally, certain individuals who source transactions or provide financing have in the past and are expected in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s). MPM's exercise of discretion in allocating co-investment opportunities often will not always result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment is permitted, it is possible that the size of the investment opportunity otherwise available to MPM's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors.

MPM will select the investors that are permitted to co-invest in a particular portfolio company in its sole discretion based on various factors, including those detailed in its Governing Documents and as outlined in its internal policies and procedures. While one or more investors in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, MPM is authorized in its sole discretion to offer any or all of any co-investment opportunity to investors that are not investors in one or more of the Funds. MPM is permitted, in its sole discretion, to offer co-investment opportunities to some investors in its Funds while not offering them to other investors in its Funds, and in its discretion will cause some Fund investors and/or other co-investors to bear a Management Fee and/or Carried Interest while not imposing a Management Fee and/or Carried Interest (or imposing a different Management Fee or Carried Interest) on other Fund investors and/or other co-investors. In certain cases, co-investment opportunities can include opportunities to invest in Fund portfolio companies at a time when there is not a corresponding Fund investment or on different terms than a Fund investment.

It is possible that some co-investors will be provided a board seat or observer rights at an MPM portfolio company. Such positions generally provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or Co-Investment Fund purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or Co-Investment Fund generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment may acquire such interest on terms that do not reflect the then-current value of such investment. In addition, to the extent that MPM engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

In the event MPM is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund will often consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

The Funds focus on achieving attractive risk-adjusted returns primarily by making privately negotiated equity and equity-related investments in private companies and in real estate or real-estate related assets. The applicable Governing Documents of each Fund set forth more detailed descriptions of each Fund's investment strategies and methods of analysis. While MPM will make investment recommendations in accordance with the investment strategies described in the applicable Governing Documents, there can be no assurance that MPM will achieve the investment objectives of any of its Funds and a loss of investment is possible.

Buyout Investments

The Equity Funds make both control and non-control investments, and in both cases, require there to be material ownership from company management. In implementing its strategy, MPM focuses on the key tenants of its investment philosophy:

Source Privately Negotiated Deals from an Established Industry Network. MPM's record in deal sourcing is rooted in the Firm's privately developed network of attorneys, accountants, management consultants, regional boutique investment bankers and management teams. MPM seeks to source potential investments through this network in underserved markets in the Midwest and select regional markets rather than relying on national investment banks to "shop" investment opportunities through widely marketed auctions. The Firm believes its ability to directly and discretely source privately negotiated deals through this intermediary network is a vital part of the Firm's investment strategy. The Firm believes it has developed a reputation as an organization that can offer both certainty of close and follow-through on its commitments to management.

The Firm believes these relationships have enabled MPM to develop off-market deal flow, pre-empt sale processes and identify latent value in acquisition candidates. Rather than participate in competitive auctions, the Firm generally works directly with management teams and owners. The

Firm believes this process improves information flow, reduces pricing competition and can foster a more effective and well-aligned partnership with management, often at attractive valuations.

Alignment of Interests with Growth-Oriented Management Teams Having Material Capital at Risk. At the core of MPM's investment philosophy is its desire to align its interests with experienced management teams willing to place material capital at risk. There is a strong preference to partner with incumbent teams who are seeking guidance to grow the company and effect ownership change through a partial buyout or recapitalization.

Strong Business Models with Sound Fundamentals. MPM seeks to invest in companies with strong business models that have been profitable, have an established customer base and have an attractive market position. The Firm believes these enterprises often require the expertise, capital and guidance that MPM can provide to scale the business to a higher level of efficiency and profitability.

Maintenance of Conservative Capital Structures with Low Leverage Ratios. MPM believes that a conservatively valued entry price is necessary to achieve return objectives and to allow for a broader range of exit and liquidity options and that portfolio companies with these characteristics make it possible for the Funds to receive periodic distribution or dividend payments and to gain substantial equity appreciation opportunities.

Identifiable Value Creation Initiatives. MPM employs a well-defined process for seeking to create value throughout the life of each investment. This process begins from the outset with setting the vision and goals of the portfolio company in partnership with existing management and identifying and prioritizing key initiatives. The goal is to capitalize on existing strengths of a company, recognize and address weaknesses and identify risk-appropriate opportunities for growth. Throughout the course of every investment, the Firm prides itself on providing financial and operational advice to management to help guide the portfolio company during crucial stages of business growth, all while respecting the unique nature and culture of the company and its management team.

Once an investment is made, MPM helps to implement the strategic and operational changes conceived and developed in conjunction with management during the comprehensive diligence process.

As the execution plan for each portfolio company begins to take shape, MPM's investment professionals take an active role in the company through the development of investment opportunities, execution of transactions and financings, implementation of growth and efficiency initiatives and maximization of investment returns. Following an initial investment, MPM advises and assists the management of each Fund's portfolio companies in order to increase the probability that the original risk/return profile established at the inception of each investment is achieved.

Well-Defined Exit Strategies. MPM follows a disciplined approach in an effort to assess potential opportune times for realization of its investments by evaluating whether the risk of a longer hold exceeds the potential return. Prior to making an investment, MPM and the portfolio company's

management team will determine their joint expectations for an investment horizon and exit process. In most cases, this investment horizon will be five years or more. This long-term view and patient approach are attractive features to management teams and business owners and are cornerstones of MPM's partnership philosophy. MPM's preference is to exit investments when its management partners exit, avoiding the circumstance of having to negotiate price with a partner.

Investments can be realized through numerous means, including divestitures, recapitalizations and sales of securities privately and in registered offerings. MPM's experience indicates that well-run companies with strong management teams are attractive to a multitude of buyers throughout market cycles. In most cases, the Firm makes its investments through a non-competitive process and exits its investments by orchestrating a competitive sales process.

Real Estate Investments

For certain Funds, MPM makes real estate investments in existing properties and development projects across various asset classes, including industrial, multifamily, office, retail and other specialty assets. MPM looks for assets that can be acquired or developed at an attractive basis with value creation opportunities through repositioning, stabilization, redevelopment or recapitalization.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

An investment in the Funds involves a high degree of risk, including the risk of a partial or total loss of capital, and investors must be prepared to bear capital losses which might result from investments. An investment in the Funds is speculative, illiquid and long-term in nature, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Funds and for which the respective Fund does not represent a complete investment program. While the below risk factors are applicable to most Funds, some risk factors are specific to different strategies. Investors should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. Different or new risks not addressed below can arise in the future and, therefore, the following list is not intended to be exhaustive. Risks and potential conflicts of interest include, but are not limited to, the following:

Investment in Junior Securities. The securities in which a Fund invests are expected to be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment by one of the Funds once made.

Concentration of Investments; Lack of Diversification. The Funds will participate in a limited number of investments and will in some cases seek to make several investments in one industry or one industry segment or within a short period of time. As a result, it is possible that any particular Fund's

investment portfolio will become highly concentrated, and its aggregate return can be affected substantially by the performance of a few holdings. Furthermore, to the extent that the capital raised is less than the targeted amount for a given Fund, such Fund will likely invest in fewer portfolio companies and thus be less diversified.

Bridge Financing. The Funds will, in their discretion, provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, a Fund's portfolio has the potential to become more concentrated with respect to such investment than initially expected or otherwise provided for under such Fund's investment limitations, certain of which exclude bridge financing investments.

Unspecified Investments. Investors will be relying on the ability of the Firm to locate and evaluate the investments to be made by the Funds using the proceeds of the Fund offerings. The activity of identifying, structuring, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the Firm will be able to identify, or the Funds will be able to complete, portfolio company investments that satisfy the applicable Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that a Fund will be able to fully invest its committed capital.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates, and other private equity funds. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. In certain cases, some of these competitors will have more relevant experience, greater financial resources, a greater willingness to take on risk and/or more personnel than the Firm, the Funds and their respective affiliates.

To the extent that the Funds encounter significant competition for investments, returns to investors potentially will decrease. In addition, it is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified or consummated. Regardless of the extent to which the commitments of the investors are invested, the investors will be required to bear Management Fees during the investment period based on the entire amount of the investors' commitments and other expenses as set forth in the Governing Documents.

Dynamic Investment Strategy. While the Firm generally intends to seek attractive returns for the Funds primarily through making private equity investments as described herein, MPM, at times, will pursue

additional investment strategies and modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. MPM will potentially pursue investments outside of the industries and sectors.

Growth Equity Transactions. Certain Funds target growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies can operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position and/or to expand or develop management resources. Growth-equity portfolio companies can face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Funds invest are (or will become) (i) highly regulated at both the federal and state levels in the U.S. and internationally and (ii) subject to frequent regulatory change. Certain segments will be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex or ambiguous or lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, would be expected to have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invest.

Illiquidity; Lack of Current Distributions. An investment in the Funds should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. It is possible that losses on unsuccessful investments will be realized before gains on successful investments are realized. The Funds' ability to dispose of investments can be limited for several reasons. Illiquidity can result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Funds. Dispositions of investments are subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that can be obtained upon any disposition thereof. In view of these limitations on liquidity, the Funds generally will not be able to return capital or realize gains, if at all, on an investment in a privately-held entity until the partial or complete disposition of such entity. While such an investment can be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, it is possible that there will be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner (or its designated affiliate)) will, in some cases, exceed such Fund's income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

Leveraged Investments; Borrowing. Some of the Funds make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company, or some Funds make equity investments in leveraged portfolio companies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of loss has the potential to be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which is impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast. As a result, at times it is difficult to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and impairs its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a portfolio company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Funds are likely to suffer a partial or total loss of capital invested in the portfolio company, which is likely to adversely affect the returns of the Funds. Additionally, lenders would typically have a claim that has priority over any claim by the Funds to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds would likely not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, the Funds would hold a larger than expected equity investment in such portfolio company and realize lower than expected returns from the portfolio company that would adversely affect the Funds' ability to generate attractive returns for the Funds as a whole. Any failure by lenders to provide previously committed financing has the ability to expose the Funds to potential claims by sellers of businesses which the Funds have been contracted to purchase. Moreover, the companies in which the Funds will invest will not necessarily be rated by a credit rating agency.

The Funds borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or are otherwise liable therefore, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Funds will result in interest expense and other costs to the Funds that will sometimes exceed, or otherwise not be covered by, distributions made to the Funds or appreciation of its investments. The Funds will, in their discretion, incur leverage on a joint and several basis and, in connection with incurring such indebtedness, the Firm will, in its sole discretion, cause the Funds to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against

such entities. However, it is possible that, if and when the Funds were to seek to enforce any such right, any such entity could default on its obligation and/or such right would otherwise be unenforceable. In addition, to the extent the Funds incur leverage (or provide any guaranty), such amounts would be secured by the commitments or other Fund assets. The inability of the Funds to repay any leverage secured by the commitments will, in some circumstances, enable a lender to issue a capital call on behalf of the General Partners of the Funds. Calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for investors that would not arise had the Firm called smaller amounts of capital incrementally over time as needed. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time.

Use of Credit Facility. The Funds will be permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called. The Funds' use of such facilities will be determined by MPM, and the performance of the Funds can be impacted by how MPM causes the Funds to utilize such facilities. Although the use of such a facility increases the Funds' ability to swiftly invest capital, it also will cause the Funds to incur interest expense and other costs. Conflicts of interest will arise in that the use of such facilities would likely delay the need for investors to make certain contributions to the Funds, which enhances the Funds' performance figures and thereby benefits the Firm and its affiliates.

In borrowing on behalf of a Fund, MPM is subject to potential conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, MPM is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the investors would otherwise be entitled had MPM called capital, and thus could result in MPM receiving carried interest sooner than it would without borrowing. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to investors will be commensurate with such costs.

No Market for Interests; Restrictions on Transfer; No Right of Withdrawal. Investor interests in the Funds cannot generally be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the relevant General Partner, which can be withheld pursuant to the Governing Documents, and the volume of transfers permitted in any calendar year will, at times, be restricted to

comply with certain safe harbors under tax regulations promulgated under the U.S. Internal Revenue Code of 1986, as amended. Voluntary withdrawals from the Funds will not be permitted except in very limited circumstances generally involving situations where retaining an interest in the Funds would violate certain laws or regulations or otherwise have a detrimental effect on the Funds or any of its investors. In addition, interests in the Funds are not redeemable. There will be no public market for interests in the Funds, and none is expected to develop. Interests in the Funds have not been registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Fund will ever be affected. Investors will not necessarily be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in such Fund for an indefinite period of time.

Investments Longer than Term. The Funds will, in some instances, make investments which will not necessarily be capable of being advantageously disposed of prior to the date that a particular Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although it is expected that investments will be either disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, a Fund would have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. To the extent that such investments are held in trust, the trust would incur operating and formation expenses. In addition, there can be no assurances with respect to the timeframe in which the winding-up and the final distribution of proceeds to the investors will occur.

Distributions in Kind. Although prior to the termination of a Fund, such Fund intends to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding-up of such Fund), distributions of investments for which there is no readily available public market and/or which are subject to substantial restrictions on sale or transfer will sometimes be made in-kind. It can be difficult for investors to liquidate the investments received at a price or within a time period that is ideal and significant administrative burden can be involved. After a distribution of investments is made, some of the recipients will, in their discretion, decide to liquidate such investments within a short period of time, which has the potential to have an adverse impact on the price of such investments. Investors in receipt of a distributed investment will have no guidance from the Funds or the Firm with respect to the disposition of such investment (including timing of such disposition). The price at which such investments are sold by such investors can be lower than the value of such investments determined pursuant to the Governing Documents, including the value used to determine the amount of Carried Interest accruing to the General Partners with respect to such investment. In addition, the direct holding of certain investments subjects the holder to suit or taxes in jurisdictions in which such investments are located.

Reliance on the General Partners, Affiliates and Portfolio Company Management. Control over the operation of each Fund, including decisions with respect to structuring, negotiating, purchasing, financing and eventually divesting Fund investments, will be vested with the General Partner and/or an affiliate of

that Fund in the case where such Fund does not have a General Partner, and the Fund's future profitability will depend largely upon MPM's business and investment acumen. Investors are reminded that the composition of the professionals making up particular industry sector investment teams change over time, and there can be no guarantee that the professionals included in such teams and who have contributed to the past performance of any prior MPM Funds continue to be members of the particular team or serve in the same or similar roles thereon (and in some cases, are no longer with MPM, or will leave such team or MPM during the life of the Fund). The loss or reduction of service of one or more of MPM's investment professionals has the potential to have an adverse impact on a Fund's ability to realize its investment objectives. In addition, the principals currently, and will likely in the future, manage or advise other investments and/or investment funds besides the current Funds and the principals would need to devote substantial amounts of their time to the investment activities of such other investments and/or funds, which pose conflicts of interest in the allocation of the time of the principals. In addition, certain changes in the General Partners or circumstances relating to the General Partners can have an adverse effect on the Funds or one or more of their portfolio companies, including potential acceleration of debt facilities.

The success of many of the Funds' portfolio companies is heavily dependent on the management of such companies. Each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Additionally, MPM will generally establish the capital structure of companies in which a Fund invests on the basis of financial projections for such companies, which will contain significant judgment and input from the portfolio company management team. Although MPM will be responsible for monitoring the performance of each portfolio company investment and the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management team or any successor management team will be able or willing to successfully operate a portfolio company in accordance with the Funds' objectives. Portfolio companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that the management team of a portfolio company on the date an investment is made will remain the same or continue to be affiliated with the portfolio company throughout the period the investment is held by the applicable Fund. There can also be no assurance that a portfolio company will be able to attract, develop, integrate and retain suitable members of its management team, and the relevant Fund would be adversely affected as a result.

Projections. The Funds use financial projections to help analyze potential current or financing for portfolio companies, investor reporting or other transactions. Projected operating results of a company in which one of the Funds invests normally will be based primarily on financial projections prepared by each company's management, with adjustments to such projections made by the relevant General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There

can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors which are not predictable can have a material impact on the reliability of projections.

Risks in Effecting Operating Improvements. In some cases, the success of the Funds' investment strategies will depend, in part, on the ability of the Funds to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements diverts the attention of key personnel and disrupts normal business. There can be no assurance that the Funds will be able to successfully identify and implement such improvements or that any such successfully implemented improvements will result in a return on invested capital with respect to such portfolio company.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making investments, MPM will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence entails evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the Firm will likely rely on the advice received from such third parties. Investment analyses and decisions by MPM may in some circumstances be undertaken on an expedited basis for the Funds to take advantage of investment opportunities and/or consummate investments. In such cases, the information available to the Firm at the time of an investment decision will likely be limited, and MPM would not have access to the detailed information necessary for a full evaluation of the investment opportunity. It is possible the due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that would be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

Conflicting Investor Interests. Investors have conflicting investment, tax and other interests with respect to their investments in the Funds, including conflicts relating to the structuring and timing of investment acquisitions and dispositions. As a consequence, conflicts will arise in connection with decisions made by MPM regarding an investment that is more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm generally will consider the investment, tax and other relevant objectives of the Funds and their investors as a whole, not the investment, tax or other objectives of any investors individually.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes

on private fund advisers and their management of private funds. Any such changes are expected to materially impact MPM, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve their investment objectives.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund will typically decide to provide additional funds to such portfolio company or have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments can have a substantial negative impact on a portfolio company in need of such an investment or result in a lost opportunity for such Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Over-Commitment. To facilitate the acquisition of a portfolio company, the Funds will in some cases make (or commit to make) an investment in such portfolio company with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of the acquisition. In such event, the Funds will bear the risk that any or all of the excess portion of such investment will not be sold or will only be sold on unattractive terms and that, as a consequence, the Funds would bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or realize lower than expected returns from such investment.

Non-Controlling Investments. The Funds will, in some cases, hold meaningful minority stakes in privately held companies and in such cases, expect to have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times will hold minority equity stakes of any size such as would be expected to occur if portfolio companies are taken public. As is the case with minority holdings in general, any such minority stakes that the Funds hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

To the extent the Funds invest alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or make a minority investment, the relevant portfolio companies can be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their investors. Such third parties will sometimes be in a position to take action contrary to the Funds' business, tax or other interests, and the Funds would not be in a position to limit such contrary actions or otherwise protect the value of its investment. Where a Fund holds a

minority stake, it would be more difficult for such Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. When taking non-control positions, a Fund generally will seek to obtain negative controls and veto rights on major decisions, but there can be no assurance that the Funds will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value. Even if a Fund has contractual rights to seek liquidity of its minority interests in such companies, it will sometimes be difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals. The Funds generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the Funds will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Director Liability. The Funds will often obtain the right to appoint a representative to the board of directors of the companies in which it invests. In those instances where the Funds are not the sole shareholder of the applicable portfolio company, a board representative would have duties to persons other than the Funds. Serving on the board of directors of a portfolio company exposes the Fund's representatives (typically MPM employees), and ultimately the Fund, to potential liability. Although portfolio companies often have insurance to protect directors and officers from such liability, such insurance could, in some cases, prove to be insufficient. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

Advisory Board. The General Partners will appoint one or more investor representatives to the advisory board, which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. All investors are bound by the determinations of the relevant advisory board, regardless of whether an investor is directly represented by a member of such advisory board. The Governing Documents provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other investor. Members of the advisory board can have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. In addition, representatives of the advisory board have various business and other relationships with MPM and its partners, officers, directors, employees and affiliates. These relationships can influence their decisions as members of the advisory board. To the extent that an investor is not directly represented by a member of the advisory board, such investor will have no influence over matters submitted to the advisory board for review or approval. On any issue involving actual conflicts of interest, MPM will be guided by its good faith discretion.

In addition, it is possible that members of one Fund's advisory board will also be members of another Fund's advisory board. In such instances, a conflict of interest could be deemed to exist if an advisory

board is requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory board members serve, and such members would be unlikely to recuse themselves from any such vote.

Risk Management; Operational Controls. The operational controls and risk management techniques used by the Funds involve third parties over whom MPM does not exercise control, including outsourced providers of legal, information technology and custody services. The proper operation of a Fund and safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques MPM uses also necessarily include subjective elements, making the judgment and discretion of the Firm's professionals fundamental to the risk management process. The greater the importance of subjective factors, the more challenging it becomes for the Firm to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio company and a Fund's overall performance.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "Cybersecurity Risk and Identity Theft"), changes in personnel, errors caused by third parties or other disruptive events. While MPM has adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations, business continuity programs are inherently limited. For example, the Firm could experience unanticipated contingencies or the planned controls and oversight may not function as intended. In addition, certain circumstances, including natural disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions could prevent the Firm and its service providers from performing certain tasks, potentially for extended periods of time, including funding an investment, finalizing valuations, making a distribution or reporting to investors. Any such failure could cause losses to a Fund.

Cybersecurity Risk and Identity Theft. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. The Funds and their portfolio companies' information and technology systems can be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, ransomware attacks, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquake. Although MPM intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm, the Funds and/or a portfolio company are likely to incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. In addition, MPM's systems could be vulnerable to supply-chain attacks, wherein attackers target third parties providing software or services in order to introduce vulnerabilities in MPM's network or systems. The failure

of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in MPM's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the investors directly as well as affect the value of assets in which a Fund invests. Such a breach or failure could harm MPM's, the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise affect their business and financial performance. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company would be subject to potentially substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company or the Funds to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at MPM or one of its affiliates or service providers holding its financial or investor data, MPM, its affiliates or the Funds would also be at risk of loss.

Agreements with Certain Investors. The Funds and/or MPM have entered into side letter or other similar agreement with particular investors in connection with its admission to the Funds and without the approval of any other investor, which would have the effect of establishing rights under, altering or supplementing the terms of (including economic terms), or confirming the interpretation of an applicable Governing Document with respect to such investor in a manner more favorable to such investor than to other investors, and such rights have the potential to be significant.

Disclosure of Confidential Fund and Investor Information. The investors in the Funds include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which compel public disclosure of confidential information regarding the Funds, their investments and their investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. The Funds will incur expenses in connection with responding to any such disclosure requests, even if the Funds ultimately succeed in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that investors have pursuant to the Governing Documents to maintain the confidentiality of the Funds' information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. MPM may also in certain circumstances, in an effort to protect any such potential disclosure, withhold all or any part of the information otherwise to be provided to such an investor, as more fully described in the Governing Documents. There can be no assurance that such information will not be disclosed by the Funds, MPM, their affiliates and personnel, portfolio

companies or services providers including, without limitation, to comply with laws, regulations or policies to which MPM is or will become subject. In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers, such as MPM, to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of the Funds' information has the potential to have an adverse effect on the Funds and their investors, for example, by affecting the Funds' competitive advantage in finding attractive investment opportunities.

Recycling; Reinvestment. The General Partners generally have the right to recall certain capital returned or distributed to investors. Accordingly, during the term of the relevant Fund, an investor can potentially be required to make capital contributions in excess of its commitment (with certain limitations as provided in the Governing Documents), and to the extent such recalled or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

Economic Disruptions Due to Public Health Emergencies. Pandemics and other widespread public health emergencies, such as, and including but not limited to the recent global spread of COVID-19 (the "coronavirus") have shown an ability to result in a broad-based economic decline and significant market volatility. Pandemics represent economic threats that are subject to frequent and rapid change and therefore present material uncertainty and risk with respect to the Funds' performance and financial results.

Uncertain Economic, Social and Political Environment. It is possible that consumer, corporate and financial confidence will be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence can lead to or extend a localized or global economic downturn. It is possible that a climate of uncertainty will reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn can have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This has the potential to slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn can have an adverse effect upon the Funds' portfolio companies.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and the United States' military, economic and political responses to terrorism all can have material consequences on the U.S. and global economies. MPM is not able to predict the

extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Fund investment will be located. For example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for certain commodities and could affect certain portfolio companies' financial results. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence has the potential to increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Additionally, the Funds or portfolio investments can be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including a Fund, portfolio company or a counterparty to a Fund or a portfolio company, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances, a Fund or a portfolio company may be a party to a contract which does not provide a remedy in favor of the Fund or such portfolio company if a force majeure event occurs. In this event, the Fund or such portfolio company may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance can cause the Fund or such portfolio company to suffer economic loss, and such loss has the potential to be exaggerated if a force majeure event subsists for an extended period of time.

Certain force majeure events, such as war or an outbreak of an infectious disease, could have broader negative impact on the world economy and international business activity generally or in any of the countries in which a Fund has invested. A resulting negative impact on economic fundamentals and consumer confidence can increase the risk of default with respect to particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of portfolio investments, the Funds' returns and the ability of a Fund to make and/or dispose of portfolio investments. No assurance can be given as to the effect of these events on the value of, or markets for, portfolio investments, or a Fund's or a portfolio investment's ability to recover therefrom.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's

assets (each, a “Financial Institution”) fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, MPM, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of MPM to manage the Funds and their investments, and on the ability of MPM, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of MPM and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although MPM expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event MPM determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

Many Financial Institutions require, as a condition to using their services or otherwise, that MPM and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “Custodian”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although MPM seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, MPM is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Inflation. The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment could earn more revenue but could incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the Funds' investments.

Risk Factors Specific to the Real Estate Strategy

General Real Estate Risks. Real estate investments will be subject to the risks incident to the ownership and operation of real estate and real estate-related businesses and assets, including changes in the general economic climate, local, national or international conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties and changes in the relative popularity of property types and locations, changes in the financial condition of tenants, buyers and sellers of properties, changes in operating costs and expenses, uninsured losses or delays from casualties or condemnation, changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies, the availability of financing, interest rate levels, environmental liabilities, contingent liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors and other factors beyond the control of MPM and its respective affiliates.

Third Party Involvement. Given appropriate circumstances, certain of MPM's real estate investments will be made as a co-venturer or partner with the seller of the property, an affiliate of the seller, an investor or other third parties (including other investment funds, accounts and clients managed or advised by MPM or its affiliates). Such investments involve risks not present in investments where a third party is not involved, including the possibility that: (i) MPM and such co-venturer reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner will at any time have economic or business interests or goals that are inconsistent with those of MPM; (iii) the co-venturer or partner will encounter liquidity or insolvency issues or have the potential to become bankrupt; (iv) the co-venturer or partner will be in a position to take action contrary to MPM's investment objective; (v) the co-venturer or partner will take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances MPM will be liable for actions of its co-venturers or partners. In addition, MPM will often rely upon the abilities and management expertise of a co-venturer or partner. It will generally also be more difficult for MPM to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. MPM will, in some cases, grant co-venturers or partners joint

approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock would likely delay the execution of the business plan for the investment or require MPM to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment. As a result of these risks, there can be no guarantee that MPM will be able to fully realize its expected return on any such investment. Further, to the extent MPM offers any co-investment opportunity to any investors or third parties, some or all of the risks described above are expected to also apply to such co-investments.

Reliance on Third-Party Developers and Joint Venture Partners. MPM sometimes relies on third parties (some of which have the potential to also become joint venture partners with MPM) to act as developers or joint venture partners in connection with the development, construction or renovation of its properties. This reliance on third-party developers or joint venture partners often increases the costs to MPM through the payment of development fees, incentive fees and other amounts and will increase the risks of development to MPM if, and to the extent, such a developer fails or is unable to comply with agreed-upon plans, budgets or timetables.

Increase in Market Interest Rates. If interest rates increase, so would MPM's interest costs for new debt, including variable rate debt obligations under any credit facility or other financing. This increased cost is likely to make the financing of any development or acquisition more costly. Rising interest rates also would potentially limit MPM's ability to refinance existing debt when it matures or cause it to pay higher interest rates upon refinancing, which would negatively impact liquidity and profitability. In addition, an increase in interest rates would decrease the access third parties have to credit or the amount they are willing to pay for MPM's assets.

Development and Construction or Renovation Risks. MPM's investments can include acquisition of direct or indirect interests in undeveloped land or underdeveloped real property (which can be non-income producing), real estate developments or redevelopments and/or businesses that engage in real estate development or redevelopment. To the extent that MPM invests in such assets or activities, it will be subject to the risks normally associated with such assets and development activities, including the possibility of development cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after acquisition. Any unanticipated delays or expenses would raise the likelihood of having an adverse effect on the results of operations and financial condition of MPM. Properties under development or properties acquired for development often receive little or no cash flow from the date of acquisition through the date of completion of development and it is possible that such properties will continue to experience operating deficits after the date of completion. In addition, market conditions frequently change during the course of development and such changes could make such development less attractive than at the time the development was commenced.

Industrial Properties. Although owners of industrial properties are not generally required to expend substantial amounts for general capital improvements, tenant improvements or re-leasing costs and various other factors can affect the returns from this type of property in addition to the risks generally applicable to real estate, including, among other things, the design and adaptability of the property and the degree to which it is generally functional for industrial purposes, the proximity to highways and other means for the transportation of goods, the number and diversity of tenants among businesses or industries and the cost of converting a previously adapted space to general use. An industrial property is often more likely to have one or only a few tenants, which increases the risk that a decline in their operations or their particular business or industry segments can adversely affect the returns from the property. Industrial properties typically have short-term leases, which can increase the risk of vacancies. Additionally, a property designed for a particular use or function can be difficult to re-lease to another tenant or can become functionally obsolete compared to other properties. In addition, because of unique construction requirements of many industrial properties, many vacant industrial property spaces cannot be easily converted to other uses. Thus, if the operations of any industrial property become unprofitable, the liquidation value of that industrial property can be substantially less than would be the case if the industrial property were readily adaptable to other uses. Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or have in the past contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in these properties will cause the Fund and MPM to be subject to increased risk of liabilities under environmental laws and regulations. Furthermore, the presence of hazardous or toxic substances, or the failure to properly remediate these substances, can adversely affect MPM's ability to sell or rent an industrial property.

Multifamily Residential Real Estate. Certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. There can be provisions that limit the bases on which a landlord is authorized to terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances can limit rent increases to certain set percentages, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. In addition, low-income areas can have a higher concentration of tenants that receive rent subsidies pursuant to governmental assistance programs. These programs can influence tenant mobility and the amount of rent a tenant can pay. It is also possible that certain multifamily properties could be subject to existing regulatory agreements or restrictive covenants that impose limits on the income of the tenants that can lease a unit in the property and/or the rent that is permitted to be charged to tenants.

Possible Inability to Renew Leases or Relet Space as Leases Expire. The Fund will derive some of its income from rent received from the tenants of the properties. Substantially all of the leases for multifamily units are expected to be short-term leases (generally, one year or less in duration). Multifamily residents can leave after the end of their lease term without any penalty. As a result, the Fund's rental revenues can be impacted by declines in market conditions more quickly than if the leases for multifamily units were for longer terms. Accordingly, the Fund's financial condition, results of operations, cash flow and its ability to make distributions to investors could be adversely affected if they are unable to promptly relet or renew expiring leases, or if the rental rates upon renewal or reletting are significantly lower than expected. There can be no assurance that the Fund will be able to lease its vacant space, renew its expiring leases, increase its occupancy or generally realize the potential of low-yielding assets (including the completion and leasing of its renovation projects and leasing of its vacant and under-leased buildings). Further, the Fund's ability to rent space and the rents that it can charge are impacted, not only by customer demand, but by the number of other properties it has to compete with to appeal to customers.

Commercial Properties. Commercial properties can be especially affected by: an economic decline in the business operated by the tenants; the physical attributes of the property and the adaptability of the property with respect to the technological needs of the tenants; the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; and patterns of telecommuting or sharing of office space, and employment growth (which creates demand for office space). Moreover, the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants.

Retail Properties. In many cases, the tenants of retail properties can negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions can limit the number and types of prospective tenants for the vacant space. In addition, certain retail properties are anchored by department stores and other large nationally recognized tenants. The value of investments could be materially and adversely affected if these "anchor" tenants fail to comply with their contractual obligations or cease their operations. As pressure on these department stores and national retailers increases, their ability to meet their obligations as a tenant is likely to be impaired and result in closures of their stores or their seeking of lease modifications. Any lease modification could be unfavorable and could decrease rents or expense recovery charges. Other tenants in turn will in some cases be entitled to modify the economic or other terms of, or terminate, their existing leases in the event of closures by the "anchor" tenants.

Potential Environmental Liabilities. Under various federal, state and local laws, ordinances and regulations, an owner of real property is often liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and have the potential to exceed the value of the property

and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, can adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which would be expected to have an adverse effect on the Funds return from such investment.

Harmful Mold and Other Air Quality Issues. When excessive moisture accumulates in buildings or on building materials, mold can grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the Fund's properties is likely to require the Fund to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants has the potential to expose the Fund to liability from its tenants, employees of its tenants and others if property damage or health concerns arise.

Americans with Disabilities Act and Similar Laws. Under the Americans with Disabilities Act of 1990 (the "ADA"), all public accommodations must meet federal requirements related to access and use by disabled persons. If one or more of the properties in the Fund's portfolio does not comply with the ADA, then the Fund will typically be required to incur costs to bring the property into compliance, and there can be no guarantee that such costs were foreseen at the time of acquisition. Future changes to federal, state and local laws also have the potential to require modifications to the Fund's properties or restrict the Fund's ability to renovate its properties. The Fund cannot predict the ultimate cost of compliance with the ADA or other legislation. If the Fund incurs substantial costs to comply with the ADA and any other similar legislation, the Fund's financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy its debt service obligations are more likely to be materially adversely affected.

Costs of Operating Real Estate Investments. The cost of operating a property, including providing for capital improvements, can exceed the property's rental income and operating resources, and it is possible that the Funds will have to advance funds to protect an equity investment or will be required to dispose of investments on disadvantageous terms if necessary to raise needed funds. Certain expenditures associated with real estate equity investment, such as property taxes, utility costs, debt service, maintenance costs and insurance, tend to increase and generally do not decrease as a result of events adversely affecting rental revenues. Moreover, while MPM generally intends to purchase insurance to cover casualty losses and general liability, it is possible that such insurance will not be available, will be available only at prohibitive costs or will be insufficient to cover losses from ongoing operations and other risks such as earthquake, flood or environmental contamination.

Possible Need to Make Significant Expenditures to Retain and Attract Tenants. The Fund could, upon expiration of leases at its properties, be required to make rent or other concessions to customers, accommodate requests for renovations, and other improvements or provide additional services to customers. As a result, it is possible that the Fund will be required to make significant capital and other expenditures in order to retain customers whose leases expire and to attract new customers in sufficient numbers. Additionally, it is possible that the Fund will need to raise additional capital to make such expenditures. If the Fund is unable to do so or capital is otherwise unavailable, the investment will be unable to make the required expenditures. This could result in non-renewals by customers upon expiration of their leases, or an inability to attract new customers, which could materially and adversely affect the applicable Fund's financial performance.

Conflicts of Interest

The material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this Brochure. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise during a Fund's life. Investors should be aware that MPM, its personnel, and its affiliates will likely in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that MPM will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. In particular, MPM expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. To the extent that MPM identifies conflicts of interest in the future, the Firm intends, but is under no obligation, to disclose these conflicts and their implications to investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory boards or to investors more generally.

Time and Attention of Principals. The principals expect to spend a portion of their business time and attention pursuing investment opportunities for multiple Funds or accounts rather than on behalf of a single Fund. The principals and the Firm's investment staff will continue to manage and monitor multiple Funds, accounts and investments. MPM believes that the significant investment of the principals in each Fund, as well as the principals' interest in the Carried Interest, operate to align, to some extent, the interest of the principals with the interest of the partners, although the principals generally have or expect to have economic interests in such other investment funds, accounts and investments as well and receive Management Fees and Carried Interest relating to those interests. Other Funds, accounts and investments that the principals control or manage will, in some cases, compete with an individual Fund or a portfolio company acquired by such Fund or, as detailed further below, expect under certain conditions to invest in different parts of the capital structure of portfolio companies acquired by such Fund. At such time as MPM is permitted to raise successor investment funds to the currently investing Funds, the principals will continue to manage such prior Funds'

investments, but also likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments can, and in some cases will be, allocated between a Fund and any successor or predecessor fund in a manner as set forth in the Governing Documents.

Unless restricted by the Governing Documents or MPM's policies, MPM personnel are permitted to serve on boards or act in other roles unaffiliated with MPM, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Such companies are not portfolio companies of a Fund and, as a result, any compensation received by an employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

Allocation of Investment Opportunities. Until such time as MPM is permitted under the Governing Documents to raise a successor investment fund, the principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the currently investing Funds principally for the benefit of such Funds, subject to certain exceptions set forth in the relevant Governing Documents. However, the principals currently, and likely will in the future, manage other Funds and, in such circumstances, will direct certain relevant investment opportunities among those Funds. Over time, certain investment opportunities suitable for one Fund are likely also to be suitable for other Funds. In determining which Funds should participate in investment opportunities, subject to the Governing Documents, the Firm, the principals and their affiliates are subject to potential conflicts of interest among the investors in the Funds. To determine which Fund(s) will participate in the relevant investment opportunity, MPM generally assesses whether an investment opportunity is appropriate for each relevant Fund or account based on the terms of such Fund's or account's Governing Documents, as well as factors including, but not limited to: each Fund's or account's investment restrictions and objectives (including those set forth in the relevant Fund's or account's Governing Documents, where applicable), strategy, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. A Fund will potentially invest together with other Funds advised by the Firm in the manner set forth in the relevant Governing Document(s). MPM will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with MPM's obligations and will take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which a Fund will invest exceeds an amount appropriate for such Fund, such excess will, at times, also be offered to one or more potential co-investors.

MPM's allocation of investment opportunities among a Fund and any other Funds or accounts managed by MPM often will not be proportional. Therefore, such allocations can be more advantageous to one Fund relative to another Fund. While MPM will allocate investment opportunities in a way that it believes in good faith is fair and equitable to the Funds, there can be no assurance that each Fund's actual allocation of an investment opportunity, if any, or terms on which

the allocation is made, will be as favorable as they would be if the conflicts of interest to which the Firm is subject did not exist.

While the intent is that investment opportunities will be apportioned among the Funds on a fair and reasonable basis and in compliance with the Governing Documents of each Fund, there is no assurance that any particular Fund will be offered any specific investment opportunities that come to MPM's attention or that any particular Fund will be permitted to invest the full amount it desires to invest in any such opportunity that is made available.

Investor Transfer of Interest. In certain cases, MPM will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, MPM will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors. In certain circumstances, a Fund General Partner has purchased the interest of an investor seeking liquidity.

Certain Affiliate Transactions. Conflicts of interest can arise if a Fund makes an investment in a portfolio company in conjunction with an investment made by another Fund or account managed by MPM or an affiliate. For instance, a Fund will not necessarily invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Fund or account. This can result in differences in price, investment terms, leverage and associated costs between one Fund and another investing Fund or account managed by MPM or an affiliate. There can be no assurance that each Fund will exit an investment at the same time or on the same terms, and there can be no assurance that a Fund's return on an investment will be the same as the returns achieved by any other Fund participating in the transactions. Given the nature of a conflict, there can be no assurance that the resolution of these conflicts will be beneficial to any given Fund.

It is expected that, in accordance with the Governing Documents, McCarthy Group, an entity managed by the Firm or its affiliates, will, directly or indirectly through its subsidiaries, make preferred equity and/or debt investments in certain portfolio companies acquired by the Funds (collectively, "McCarthy Group Investments"). As a result of McCarthy Group Investments, the interests of McCarthy Group will, from time to time, be adverse to those of any such portfolio company and the Funds and, thus, the existence and concurrent operation of McCarthy Group and the Funds will give rise to a range of potential conflicts of interest. For example, in connection with drafting, negotiating, renegotiating and/or modifying the terms of McCarthy Group Investments, the Firm or its respective affiliates will, in certain instances, have an incentive to cause a Fund portfolio company to enter into or otherwise agree to McCarthy Group Investment terms and conditions that are less favorable to such portfolio company than it otherwise would be if such McCarthy Group Investment was made by an unaffiliated third party. Questions will potentially arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether McCarthy Group Investments should

be refinanced or restructured. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, will raise conflicts of interest. In the event of a breach, default, failure to perform or any other circumstance that arises in connection with certain McCarthy Group Investments which affords McCarthy Group or a Fund portfolio company the opportunity for legal or other recourse against the other party, the Firm or its respective affiliates will, in certain instances, have an incentive to take certain actions (or choose not to act) that favor McCarthy Group over a Fund portfolio company and the Fund. In the event that a portfolio company in which a Fund and McCarthy Group have made investments defaults on a payment obligation to McCarthy Group or otherwise proposes to restructure all or a portion of the securities of such portfolio company, the Firm or its respective affiliates will potentially be required to take actions consistent with those of McCarthy Group with respect to such portfolio company and shall not be deemed to have violated any duty to the Funds in such scenario. Because of the different legal rights associated with owning debt and equity of the same portfolio company, the Firm and its respective affiliates can face a conflict of interest in respect of the advice given to, and the actions taken (or not taken) on behalf of the Fund versus McCarthy Group (*e.g.*, the terms of McCarthy Group Investments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies), and the action taken for McCarthy Group will, at times, be adverse to the Funds, particularly in the case of financial distress of a Fund portfolio company. Given the nature of such conflicts, there can be no assurance that any such conflict will be resolved in a manner that is beneficial to each of the Funds and McCarthy Group. In a bankruptcy proceeding, the Funds' interests will potentially be subordinated or otherwise adversely affected by virtue of McCarthy Group's involvement and actions relating to its McCarthy Group Investment. This can result in loss or substantial dilution of a Fund's investment, while McCarthy Group recovers all or part of amounts due to it. In addition, where McCarthy Group is a creditor or preferred equity holder of a portfolio company in which a Fund holds more junior securities, McCarthy Group will typically take actions in its own interest with respect to its rights as a creditor (*e.g.*, with respect to breaches of covenants) or preferred equity holder that are adverse to the interests of the Fund as an equity (or more junior equity) holder.

McCarthy Group will typically be granted general voting rights and/or certain approval and/or voting rights with respect to major decisions concerning the management and disposition of the equity and/or assets of a Fund portfolio company, which would increase the risk of deadlocks. A deadlock is likely to delay and/or prevent the execution of the business plan for such portfolio company or require the Fund to engage in a buy-sell of such portfolio company with McCarthy Group or conduct the forced sale of such portfolio company. As a result of these risks, a Fund would be unable to fully realize its expected return on any such investment. In addition, McCarthy Group and certain members thereof, which are sometimes affiliates of MPM, regularly provide services to, or in connection with, one or more portfolio companies. Pursuant to the Governing Documents, fees and expenses associated with such services are typically paid and/or reimbursed by applicable portfolio companies and do not offset the Management Fee.

In the event that a follow-on investment opportunity arises in respect of a portfolio company in which both a Fund and McCarthy Group are invested, McCarthy Group will not be prohibited from participating in such follow-on opportunity. Investments by McCarthy Group in Fund portfolio companies sometimes involve the allocation between such Fund and McCarthy Group of expenses incurred and fees generated in the course of evaluating and making such investments.

Portfolio Company Board Service. The Funds will typically make controlling investments in portfolio companies. As a result of any such significant investments, the Funds will generally have the right to appoint portfolio company board members (including current or former MPM personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, on occasion a portfolio company board will approve compensation and other amounts payable to MPM in connection with services provided by MPM and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Governing Document's offset provision, are in addition to the Management Fee or Carried Interest discussed herein. MPM's authority to appoint or influence the appointment of portfolio company board members who are involved in approving compensation payable to the Firm subjects the Firm and any such portfolio company board appointees to potential conflicts of interest.

Relationships with Portfolio Companies. On occasion, certain portfolio companies held by the Funds provide good or services to MPM, its affiliates, employees, employee's families or others affiliated with the Firm. In the case of goods, because portfolio companies offer such discounts to customers other than MPM as part of their standard commercial practices in an effort to expand their respective customer bases, MPM believes that the potential for conflicts of interest relating to such discounts is mitigated. In the case of services obtained from a portfolio company, appropriate measures have been taken to ensure that the terms of such services are provided at arm's length and are fair to all parties.

Certain Risks and Conflicts of Interest Related to Public Company Holdings. Some Funds hold an interest in a public company. As described above in Item 4, such situations generally arise due to either: (i) taking a portfolio company public (either through: (a) a traditional securities registration and offering process or (b) sponsoring or merging with a special purpose acquisition company; (ii) the acquisition of a portfolio company by a public company; or (iii) the acquisition of public company securities within the permitted authority of the Firm under the relevant Governing Documents). In addition, a Fund is permitted to receive stock of certain portfolio companies as a fee due to the service of MPM employees on the boards of such portfolio companies. Although such fees are generally subject to offset as described above, the recipients (including MPM) of such stock generally will be able to determine the timing of the stock's disposition, which creates in certain circumstances a conflict of interest between the Firm and its related persons, on the one hand, and the Fund, on the other.

The acquisition and/or holding of public company securities creates certain risks and conflicts of interest that differ in type or degree from those involved with investments in privately held companies, including but not limited to: (i) volatility in the valuation of investments (which will be dictated based on market volatility, the public markets and the investment decisions of people and entities unaffiliated

with the Firm); (ii) limitations on and risks associated with the company's or a Fund's use of 10b5-1 plans and fund trading in general; (iii) limitations on the ability of a Fund to dispose of such securities at certain times or to add to its position of such securities at certain times; (iv) the ability to dispose of interests in such investment (and the price effected for a disposition), including the fact that such dispositions will likely be effected at a different price or valuation than it would have been when such company was private; (v) increased exposure of the Firm or its personnel to material nonpublic information regarding such company (or its competitors, suppliers or others) which can in turn limit the ability of MPM to be able to purchase (or dispose) of securities of such companies which if it had otherwise been inclined to do so, may have resulted in the applicable Fund avoiding losses or losing out on potential gains; (vi) the allocation of time and resources of the Firm and/or its personnel; (vii) service by MPM personnel on the boards of such companies (including, if applicable, compensation of such board members and fiduciary obligations to shareholders other than the Fund and approval of board compensation from such public company to MPM); (viii) disclosure of Fund interests in such public company including the imposition of new, more frequent and more detailed filing obligations; (ix) increased scrutiny (and "headline risk" associated with a SPAC investment); (x) increased likelihood of shareholder litigation and insider trading allegations against such company, its executives and board members (which as noted above, can include members or representatives of MPM); and (xi) increased costs associated with any of the foregoing.

Relationship with Third Parties. MPM expects, from time to time, to employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds or investment vehicles advised by MPM or an affiliate; conversely, former personnel or executives of MPM are expected to sometimes serve in significant management roles at portfolio companies or service providers recommended by the Firm. Similarly, MPM and/or its personnel often maintain relationships with (or invest in) financial institutions, service providers and other market participants, and their respective affiliates and personnel, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will often invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Firm and/or the Funds or other investment vehicles that MPM or an affiliate advises. MPM will potentially have a conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to the Funds or a portfolio company owned by the Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds that MPM or an affiliate advises, will provide the Firm with information about markets and industries in which the Firm operates (or is contemplating operations) or will provide other services that are beneficial to MPM. The Firm will potentially have a conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds and investment vehicles that MPM or an affiliate advises, while the products or services recommended will not necessarily be the best available to the portfolio companies held by the Funds.

Over the life of the Funds, the Firm expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that such Fund or portfolio company contract for services with various service providers, potentially including, among others: (i) MPM (or an affiliate, which can include other portfolio companies or another Fund or an affiliate) and at rates determined or substantively influenced by the Firm; (ii) an entity with which the Firm or its affiliates or current or former members of their personnel has a relationship or from which such persons derive a financial or other benefit; or (iii) an investor or its affiliates. This subjects the Firm to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the Firm will potentially have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the Firm, because of such incentive or for other reasons (including whether the use of such persons will establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm, the Funds or other investment funds or accounts managed by the Firm or its affiliates), will favor such retention or continuation even if a better price and/or quality of service provider can be obtained from another person. Whether or not the Firm has a relationship with or receives financial or other benefits from recommending a particular service provider, there can be no assurance that other service providers are not more qualified to provide the applicable services or that such services could not be provided at lesser cost.

Expense Allocations. Subject to any relevant restrictions or other limitations contained in the Governing Documents of each Fund, MPM will allocate fees and expenses in a manner that it believes in good faith is fair and equitable under the circumstances and considering such factors as the Firm in its sole discretion deems relevant. In exercising such discretion, MPM will often be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple Funds will be allocated among such Funds. Investors in a Fund are typically allocated (or otherwise bear) their pro rata share of such fees and expenses, which are generally calculated based on capital commitments, invested capital, available capital or other metrics as determined by MPM in its sole discretion and in accordance with its policies and procedures regarding expense allocation. The allocations of such expenses will, in certain circumstances, not be proportional.

MPM and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs and expenses in proportion to the size of its actual or proposed investment, or in such other manner as MPM considers, in good faith, to be fair and equitable.

There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund.

There will also be occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

Some expenses are incurred on behalf of one Fund which have the potential to benefit other Funds. For example, information MPM obtains in connection with a Fund's research, due diligence and investment activities is expected to be valuable to other Funds. Additionally, tools and resources developed at MPM's expense will be the intellectual property of MPM and not the Funds.

A conflict of interest is likely to arise in MPM's determination of whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, whether such expenses should be borne by MPM or the manner in which MPM allocates expenses among the Funds. The Funds will be reliant on the determinations of MPM in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations will result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which can include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by MPM to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in MPM's good faith judgment.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the General Partners (and/or an affiliate of the Fund in the case where such Fund does not have a General Partner) and/or MPM will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. Valuations are subject to multiple levels of review for approval. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values can significantly differ from values that would have been determined had an active market existed for such securities and can significantly differ from the prices at which such securities ultimately are sold. The Firm has established a valuation policy, which it will follow when performing portfolio company valuations. Each General Partner will determine the value of the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. The exercise of discretion in valuation by the Firm can give rise to conflicts of interest, including in connection with determining the amount

and timing of distributions of Carried Interest and the calculation of Management Fees. Generally, there will be no retroactive adjustment in the valuation of any investment or the fees and/or performance-based compensation paid to the Firm to the extent any valuation proves to not accurately reflect the realizable value of an investment.

In addition, the Firm regularly reports to Fund investors, prospective investors and the investor community more generally, metrics of each Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall performance of a Fund and are important to the Firm's efforts to attract investors to the Firm and any current or future Fund. An objective of MPM's valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

Other Benefits. In connection with its services to the Funds and their investments, MPM expects to receive the benefit of certain tangible and intangible benefits. For example, in the course of MPM's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, MPM and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "the MPM Information"). In many cases, MPM Information will include tools, procedures and resources developed by MPM to organize or systematize MPM Information for ongoing or future use. Although MPM expects its Funds and their portfolio companies generally to benefit from MPM's possession of MPM Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by MPM and its personnel) and not by the Fund or portfolio company from which MPM Information was originally received. MPM Information will be the sole intellectual property of MPM and solely for the use of MPM.

Additionally, MPM and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund Expenses often result in "miles" or "points" or credit in loyalty/status programs to MPM and/or its employees, and such rewards or amounts will exclusively benefit MPM and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its investors or the portfolio companies.

Co-Investments. The Firm will, in its sole discretion, provide or commit to provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by the Firm in its sole discretion. Conflicts of interest will arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which will be made to one or more persons for any number of reasons as determined by the Firm in its sole discretion, will not necessarily be in the best interests of the Funds or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, including with respect to allocating a particular

investment to and among potential co-investors and determining the terms thereof, the Firm will consider some or all of a wide range of factors (some or all of which will benefit the Firm or its affiliates). Additionally, from time to time, certain service providers (*e.g.*, lenders) seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to MPM, a fund or portfolio company in connection with the services provided. Co-investment opportunities typically will be offered to some and not to other investors. The Firm's allocation of co-investment opportunities will, in some cases, result in allocations that are not proportional to the amounts committed, if any, by the relevant potential co-investors to the Funds or any other co-investment vehicle, and such allocations will likely be more or less advantageous to some persons or entities than to others.

The Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner will at any time have economic or business interests or goals that are inconsistent with those of the Funds, or be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds will in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities will be made by MPM or its related persons, sometimes in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities will typically be offered to some and not to other investors. When and to the extent that employees and related persons of MPM make capital investments in or alongside the Funds, MPM is subject to conflicting interests in connection with these investments. MPM's allocation of co-investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations can be more or less advantageous to some such persons relative to others.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements. The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among MPM, the investors, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While MPM will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations MPM adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

Cross Fund Transactions. In infrequent circumstances, MPM effects a cross transaction between Funds. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that (i) a Fund will not receive the best price possible or (ii) MPM will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. In effecting a cross transaction, the Firm will seek to ensure that the purchase or sale is effected at a price that is comparable to what price could be obtained through an arm's-length transaction with a third party and that is otherwise fair to both parties, which in some cases can include receiving a fairness opinion, receiving a legal opinion, engaging a placement agent and/or investment banker, each as appropriate. In certain circumstances, MPM reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. The Firm will maintain documentation to memorialize the basis for determining fairness in pricing.

Employee Investors. It is expected that certain of MPM's employees and personnel will invest in a Fund directly or as part of a General Partner's commitment to a Fund. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external Fund investor. For example, employee investors generally will not be subject to a Management Fee and/or Carried Interest with respect to their investment, receive information regarding investments at different times than other investors and some on occasions may benefit from different credit facility arrangements than a Fund.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

For information regarding the types of securities and portfolio companies in which Funds invest, please see Item 4.B and Item 8.A, above.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Like other registered investment advisers, MPM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor's evaluation of MPM or the integrity of MPM's management. MPM and its management persons have not been subject to any material legal or disciplinary events applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

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

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Neither MPM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading advisor
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships.

MPM does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, financial planning firm, futures commission merchant, commodity pool operator, commodity trading advisor, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate

broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory services, the Funds or its investors. MPM has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, employees, the Funds or their portfolio companies. Additionally, some of these professionals are investors in MPM Funds, either personally or through their company.

MPM has a relationship with two registered investment advisers and one trust company, which are portfolio holdings of one of the MPM Funds. Specifically, the following investment advisers are related persons of MPM as described in MPM's Form ADV Part 1: Tran Capital Management, L.P. and Bridges Investment Management, Inc. Bridges Trust Company, a thrift institution, is affiliated with Bridges Investment Management, Inc. and also a portfolio company of MPM. Because each of these affiliated entities performs services which are distinct from those performed by MPM, the Firm does not believe such relationships create a conflict of interest. In the event there were a material conflict of interest, MPM would determine whether the conflict warranted review by the Fund advisory board.

As described above in Item 4, MPM is affiliated with the Funds' General Partners and affiliated advisers and related entities, all of which are deemed registered with the SEC under the Advisers Act pursuant to MPM's registration. These General Partner entities operate as a single advisory business together with MPM and serve as the general partner, affiliate or managing members of private investment funds and other pooled vehicles and share common owners, officers, partners, employees, consultants or persons occupying similar positions. These General Partners do not have employees of their own.

From time to time, MPM receives training, information, promotional material, meals, entertainment, gifts or other perquisites from vendors and others with whom it does business or to whom it makes referrals. However, at no time will MPM accept any benefits, entertainment, gifts or other arrangements that are conditioned on directing individual Fund transactions to a specific investment, product or provider. Similarly, MPM employees have in the past spoken, and expect in the future, to speak at or attend conferences and programs for potential investors interested in investing in private funds and other industry events that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction and other industry events, prospective investors have the opportunity to meet with MPM. Neither MPM nor any Fund compensates these investment bankers, broker-dealers or others for organizing such events or for investments ultimately made by prospective investors attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a

material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

MPM does not recommend or select other investment advisers for the Funds.

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

A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.

Pursuant to Rule 204A-1 of the Advisers Act, MPM has adopted a written code of ethics (the “Code”) that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. The Code requires all supervised persons to place Fund interests ahead of the Firm’s interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. With respect to third parties that are not subject to the trading restrictions under MPM’s Code of Ethics and that may otherwise obtain sensitive and nonpublic information relating to a Fund deal (*e.g.*, co-investors, legal, financial, diligence, public relations and other similar service providers), such persons typically are subject to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

Supervised persons are required to certify to their compliance with the Code upon hire and on an annual basis. Supervised persons who violate the Code will be subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware.

MPM will provide a copy of its Code to any existing investor upon request to its Chief Compliance Officer, Teri Mercer at (402) 991-8430 or info@mccarthycapital.com.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Participation or Interest in Client Transactions

Certain MPM employees have invested in the Funds through such Funds’ General Partners, affiliates and/or as investors. McCarthy Partners, LLC is an employee-owned vehicle which invests side-by-side with certain MPM Funds in portfolio companies. In their capacities as investors or members of the General Partners of certain of these Funds, MPM and/or its affiliates share in the profits and

losses generated by the investments of those Funds. MPM generally reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. MPM does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of investors in the Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. MPM will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account buys from or sells any security to any advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of MPM's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or MPM or a Fund General Partner purchasing the interest of an existing investor.

Cross transactions occur where an adviser or an affiliate arranges a transaction (*i.e.*, as a broker-dealer) between two or more different funds or accounts that are managed by that same adviser or an affiliate or has an affiliated broker-dealer. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3). In the context of MPM's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to MPM.

In the event MPM were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating Funds; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory board or investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Conflicts of Interest

MPM's Code requires Firm principals and employees to place the interests of the Funds first, and on an annual basis each principal and employee must certify that he or she has read and understands the Code and has complied with its provisions. If any matter arises that MPM determines in its good faith constitutes an actual conflict of interest, MPM will take such actions as are necessary or appropriate, within the context of any applicable Fund's Governing Documents, to address the conflict. In situations where actual or potential conflicts of interest between MPM and/or its affiliates and the Funds are identified, such conflicts can either be resolved internally, disclosed to a Fund's General Partner or in the event further action is required, submitted to an advisory board for review and

resolution. The Governing Documents of each Fund include a description of what MPM believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Personal Trading

The personal trading policy for MPM supervised persons is set forth in MPM's Code and is acknowledged as received and understood by each supervised person. MPM's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by any supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund.

MPM's supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding publicly traded securities or communicating material non-public information about such securities to others. The Code establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. The Firm maintains a restricted list regarding issuers about whom it has or may have material non-public information. Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Pre-clearance is required by supervised persons and their covered family members for certain personal securities transactions, including trading in restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and submit their brokerage account statements to the Chief Compliance Officer for review.

The principals and employees of MPM carry on investment activities for their own account and for family members, friends or others, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds, even if their investment objectives are the same or similar. In addition, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside of the investment mandate of the Funds. For example, in an effort to build relationships with founders and companies, supervised persons at times are expected to make personal investments that are not at that time appropriate for a Fund, such as those that are too small and/or too early stage, in order to form deeper connections with such companies, get insight into their industries and ecosystems over time, and further develop their networks and relationships with the founders, CEOs and boards of such endeavors. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Because of the private nature of the Fund's investments, MPM does not typically face a situation where a supervised person buys or sells a security for his or her own account at or about the same time that the Firm is also buying or selling the same securities for the Funds. A supervised person wishing to purchase or sell an interest in an MPM portfolio company is required to seek pre-approval from the Chief Compliance Officer for such transaction.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

While MPM generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds on occasion engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of securities of a public portfolio company or purchasing or selling publicly traded securities. MPM has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, MPM will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, MPM selects a broker-dealer or investment banker based on MPM's judgment regarding a variety of factors, including but not limited to: (i) MPM's prior experience in working with the broker-dealer or investment banker; (ii) the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; (iii) the broker-dealer or investment banker's responsiveness to the Firm; (iv) the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; (v) the type and size of the transaction involved; and (vi) the commission rates, among other factors.

Although MPM generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a

competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services. However, MPM believes the commissions or mark-ups charged are competitive with those that other broker-dealers or investment bankers charge.

1. *Research and Other Soft Dollar Benefits.*

MPM does not receive research or other soft dollar benefits in connection with securities transactions for the Funds.

2. *Brokerage for Client Referrals.*

MPM does not receive client referrals in connection with selecting or recommending broker-dealers for the Funds.

3. *Directed Brokerage.*

MPM does not engage in directed brokerage.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

In the event MPM were to aggregate the purchase or sale of securities for Fund accounts, it would do so on a pro rata basis.

Item 13 – Review of Accounts

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly MPM's review of them is not directed toward a short-term decision to dispose of securities. MPM closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. MPM holds board seats for most of the investments it makes. It is not uncommon for the relevant investment professionals for an investment to be in regular, as often as weekly, contact with the portfolio company's senior management team. A Fund's portfolio is reviewed by a team of investment professionals on an on-going basis which includes those investment professionals assigned to individual portfolio companies. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. Moreover, partners of MPM monitor portfolio company

performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

The Firm's investment committee or its Chief Compliance Officer would perform additional reviews in the event that a portfolio company needed subsequent financing, in the event of a potential acquisition or liquidity event or if there were a serious performance issue.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

Annually, MPM provides investors on behalf of each of its Funds: (i) audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP"), as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant within 120 days of fiscal year end (or earlier as agreed to in each Fund's Governing Documents); (ii) tax information necessary for the completion of tax returns (K-1s); and (iii) a statement of the determination of the value of each investment as of the end of the preceding calendar year. In addition, on a quarterly basis, MPM provides investors on behalf of each of its Funds: (i) unaudited financial statements for the first three quarters of each fiscal year; (ii) capital account summaries; and (iii) portfolio company reviews. All reports are delivered electronically through the Firm's investor portal, unless otherwise requested in writing. The Firm also has contact with investors (personal visits, video conference, telephone and email) throughout the year as request and/or conditions warrant.

In the course of conducting due diligence or otherwise, Fund investors periodically request information pertaining to MPM's investments. MPM responds to these requests, and in answering these requests provides information that is not generally made available to other Fund investors who have not requested such information. While MPM does not have an obligation to update any such information provided, the Firm endeavors to provide the information requested in the most current form available. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations (such as agreed to in a side letter), certain investors receive additional information and reporting that other investors do not receive. The fact that MPM provides such information upon request to one or more investors does not obligate MPM to affirmatively provide such information to all investors. As a result, certain investors will have more information about a Fund than other investors, and MPM has no duty, and does not intend, to ensure that all investors seek, obtain or possess the same information regarding a Fund and its investments and/or portfolio companies.

Item 14 – Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

As described in Item 5 above, MPM is entitled to receive transaction fees, monitoring fees and reimbursements from the portfolio companies held by the Funds. In the event that MPM receives any fees or other remuneration directly from a portfolio company of a Fund (such as board of director fees), those fees will be used to offset the Management Fees otherwise payable by the relevant Fund in the following year or quarter, as applicable, based on the provisions of the relevant Fund's Governing Documents.

These types of fee arrangements present potential conflicts of interest and provide MPM with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by MPM or its employees (but not third-party advisers) in connection with services rendered to portfolio companies or in connection with transactions of the Funds are offset in part or in whole against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund's Governing Documents.

Other than as described above, MPM does not receive any monetary compensation or any other economic benefit from a non-client for MPM's provision of investment advisory services to a client.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

When raising capital for a new Fund, MPM typically engages the service of a registered broker-dealer to serve as a placement agent for Fund units. Placement agent fees are borne by MPM, either directly or as an offset to management fees, and not by any investor.

Item 15 – Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

MPM is deemed to have custody of the Funds' assets because the General Partners (or an affiliate in the case where a Fund does not have a General Partner) are not operationally independent from MPM: each Fund's General Partner (or an affiliate) generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from investor accounts. In order to comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), MPM has elected to undergo an annual GAAP financial statement audit by a Public Company Accounting Oversight Board registered and inspected auditing firm for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective investors within 120 days of fiscal year end (or earlier as agreed to in each Fund's Governing Documents). In addition, upon the final liquidation of a Fund, MPM will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit. Investors in the Funds should carefully review such financial statements.

MPM does not accept physical custody of any Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Fund's qualified custodial account and public securities are held with the broker-dealer or transfer agent who acts as custodian for such securities. MPM receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds' qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

Item 16 – Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

MPM generally receives and exercises complete discretionary authority to manage investments on behalf of the Funds as per the Governing Documents of each Fund. To become an investor in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement with a Fund. Such Governing Documents generally contain a power of attorney that grants MPM or the applicable Fund's General Partner (and/or the Firm or an affiliate of the Fund in the case where such Fund does not have a General Partner) certain powers related to the orderly administration of the affairs of the Fund. Once an investor executes these documents, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure, MPM is not required to contact an investor prior to transacting business in such Fund.

Generally, MPM's only restrictions with respect to managing a Fund, such as (but not limited to) the type of securities in which a Fund invests, will be contained in the relevant Fund's Governing Documents. However, an investor can seek to impose limitations on MPM's authority through a side letter agreement and the Firm can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon MPM's investment authority with respect to

an investor's investment must be presented to MPM in writing and agreed to by MPM and such investor. Other investors meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

By virtue of the applicable Governing Documents, for the majority of its Funds, MPM has the authority to vote proxy statements on behalf of such Fund. Given the nature of MPM's advisory business, the Funds seldom hold public securities; the majority of "proxies" received by MPM are written shareholder consents or similar instruments for private companies owned by such Funds. Specifically, from time to time, portfolio companies request MPM (usually through the General Partner or affiliate of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, MPM considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

MPM has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. MPM's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value. MPM generally believe its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. In the event that there is a conflict of interest in voting proxies, MPM's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory board on the proposed proxy vote, or through other alternatives as set forth in MPM's proxy voting policy. Investors in the Funds cannot direct how MPM votes proxies or shareholder consents, nor is MPM required to seek investor approval or direction from investors when voting proxies or giving consent on any matter requiring the consent of shareholder.

For those Funds where MPM does not have authority to vote proxies, in the event there is a proxy to vote, such proxy will be forwarded to each of these Funds' respective authorized representative who will vote the proxy on behalf of the relevant Fund.

Firm principals and affiliated or unaffiliated third parties appointed by MPM often sit on the boards of portfolio companies to which MPM provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. MPM

does not consider service on portfolio company boards by MPM personnel and affiliated and unaffiliated third parties appointed by MPM or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

MPM will provide a copy of its proxy voting policy to any existing investor upon request to Teri Mercer, MPM's Chief Compliance Officer, at (402) 932-8600 or info@mccarthycapital.com. Investors can also obtain information from the Firm, free of charge, about how MPM voted previous proxies, if any.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

This Item is not applicable to MPM.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

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

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

MPM has no financial condition that impairs its ability to meet contractual commitments to the Funds or their underlying investors.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

MPM has not been the subject of a bankruptcy petition.