



Cain Capital, L.L.C.

Form ADV | Part 2A

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Cain Capital, L.L.C. is an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). SEC registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Cain Capital, L.L.C. If you have any questions about the contents of this brochure, please contact Hugh Hennesy, Chief Compliance Officer, at (214) 720-9561 or hhennesy@caincapital.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Cain Capital, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

Since the last annual amendment of this document in March 2016, no material changes have occurred.

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ITEM 4: ADVISORY BUSINESS

ADVISORY FIRM DESCRIPTION

Cain Capital, L.L.C. ("Cain" or "we") has been in business since January 28, 1998. The principal owner is Rod Cain Jones.

TYPES OF ADVISORY SERVICES

Private Funds and Managed Accounts

Cain, or an affiliate, manages investment accounts and provides investment supervisory services, on a discretionary basis, for private pooled investment vehicles, partnerships, individuals, individual retirement plans, and trusts. Investment supervisory services include:

- Selecting private equity opportunities or other investment vehicles for investment by the client;
- Determining the client's investment objectives;
- Selecting and monitoring outside managers of separate accounts; and
- Periodically reporting, to the client, the current investment holdings, valuations (as provided by others), transactions, capital gains or losses, investment income, and performance.

Cash Management Services

Cain provides cash management services to clients through a program to invest directly in tri-party repurchase agreements (the "SBA Cash Management Program"). Acting as agent for its clients, Cain effects all repurchase agreement transactions under a Master Repurchase Agreement, monitors each transaction to ensure compliance with the terms of the Master Repurchase Agreement, and exercises all of the clients' rights and obligations under the terms of SBA Cash Management Program documentation.

TAILORED ADVISORY SERVICES

Clients cannot impose restrictions on investing in certain securities or sectors. We tailor our advisory services in accordance with each client's needs and investment strategies, as disclosed in our offering documents or managed account agreements.

We also manage private funds that are tailored to specific sectors or markets. All funds are closed to new investors.

CLIENT ASSETS UNDER MANAGEMENT

As of December 31, 2016, Cain managed \$101,918,733 in discretionary assets and \$77,594,967 in non-discretionary assets for a total of \$179,513,700.

ITEM 5. FEES AND COMPENSATION

MANAGEMENT FEES AND PERFORMANCE COMPENSATION

Private Funds

The below Funds pay Cain or a Cain affiliate fees as follows:

Cain Capital Cryptic, L.P.

Cain Capital Cryptic, L.P. is a single purpose vehicle that pays its general partner 20% of profits, after the limited partners are returned their initial investment, until they have received an amount equal to four times their aggregate capital contribution. Thereafter, the single purpose vehicle pays its general partner 40% of profits.

Cain Capital Infrastructure Fund, L.P.

Cain Capital Infrastructure Fund, L.P. is a single purpose vehicle that pays its general partner 20% of profits, after the limited partners are returned their initial investment.

FAX/Melbourne, L.P.

FAX/Melbourne, L.P. is a single purpose vehicle that pays its general partner (Family Access Exchange, L.P.) 20% of profits, after the limited partners are returned their initial investment.

Managed Accounts

In certain situations, we charge a fixed fee for investment advisory services. These fees are generally charged quarterly in advance. This situation occurs solely in dealings with a "family office" to which we provide investment advisory services for managed accounts. These fees are directly deducted from client accounts.

Cash Management Services

For our services provided to clients through the SBA Cash Management Program, we charge a fee of 0.35% annually (0.0291% per month), calculated and paid monthly in arrears. Fees are negotiable; and we reserve the right to waive all or a portion of fees. We do not receive performance-based fees for the SBA Cash Management Program.

TERMINATION

Our advisory contracts generally contain provisions that govern when an advisory contract may terminate. We are required to return any pre-paid advisory fees, subject to the deduction of fees for services rendered.

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

PRIVATE FUNDS

Cain, or an affiliate, receives performance-based compensation from certain clients. Refer to *Item 5. Fees and Compensation* for a more detailed explanation of our performance-based compensation. Collecting performance-based fees may provide us with an incentive to recommend riskier investments than we might otherwise recommend.

To the extent that different funds and accounts, with similar strategies, have differing fees, we have a conflict of interest with clients paying lower, or no performance fees. We may be

incentivized to favor funds or accounts paying higher fees. This is mitigated through constant monitoring by the Chief Compliance Officer, ensuring that all clients are treated fairly and equitably, particularly when allocating limited investment opportunities.

MANAGED ACCOUNTS

We do not receive performance-based fees from our managed account clients.

CASH MANAGEMENT SERVICES

We do not receive performance-based fees from clients participating in the SBA Cash Management Program.

ITEM 7. TYPES OF CLIENTS

We provide investment advisory services to:

- Individuals;
- High net worth individuals;
- Individual retirement plans;
- Trusts, estates and charitable organizations;
- Financial Institutions (Banks, Thrifts & Credit Unions); and
- Other pooled investment vehicles.

Minimum investments in our pooled investment vehicles depend upon the individual underlying investment.

The general investment minimum required of our non-pooled investment vehicles is \$1,000,000. However, we have the discretion to accept investments of lesser amounts.

Clients are generally required to invest a minimum of \$2,000,000 to participate in the SBA Cash Management Program. However, we reserve the right to reduce or waive that minimum.

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

METHODS OF ANALYSIS

We primarily use fundamental analysis in evaluating investments for client accounts. This involves the analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, and inventory turnover.

INVESTMENT STRATEGIES

The investment strategies we use to implement investment advice include:

- Short-term purchases for the SBA Cash Management Program;
- Long-term purchases (investments held at least one year);
- Investing in private issues; and
- An affiliated single purpose vehicle purchases futures to hedge actual grain ownership.

RISK OF LOSS

In General

We do not guarantee the future performance, or any specific level of performance, the success of any investment decision or strategy that we may use, or the success of our overall management of a client account. The investment decisions we make for a client's account are subject to various market, currency, economic, political, and business risks; and those investment decisions will not always be profitable. Investing in any security entails risk of loss.

More specifically, several of our investment strategies generate particular risks. The most notable of these risks is:

Concentration of Investments

Cain and our affiliates have broad discretion over investment programs and may choose to allocate substantial portions of assets under management to a particular investment. In particular, many of these vehicles are focused on a particular sector or business entity. This may tend to result in more rapid changes, upward or downward, in a client's portfolio than would be the case with greater diversification. A loss in any such position could result in a substantial loss, having a material adverse impact on the client's capital.

Cash Management Services

The risks of the SBA Cash Management Program are described in detail in the SBA Cash Management Program presentation and the disclosure document and include, but are not limited to, principal transaction risk (when The BCM High Income Fund, LP is a counterparty), counterparty risk, liquidity risk, bankruptcy risk, default risk, premium risk, custodian risk, operational risk, and market and valuation risk with respect to the underlying collateral.

Currently, the SBA Cash Management Program is offered with two counterparties, BCM High Income Fund, LP (the "BCM Fund") and Solomon Hess Opportunity Fund, LLC (the "Solomon Hess Fund"). Solomon Hess SBA Management LLC serves as the investment adviser to the Solomon Hess Fund. Banes Capital Management, LLC ("Banes LLC") serves as the investment adviser to the BCM Fund. Joel L. Banes ("Banes") is a control person of Banes LLC and its managing member.

When the BCM Fund is a Counterparty

On March 26, 2015, the SEC, Banes LLC, and Banes entered into a settlement relating to a Wells Notice issued on February 26, 2014. The Wells Notice alleged that Banes LLC and Banes acted as an unregistered broker-dealer when participating in new issue corporate bond trades. The activity was unrelated to Banes LLC or Banes's core business of trading government-guaranteed loans and pools, or to any interests of the BCM High Income Fund, LP.

Neither Banes LLC nor Banes admitted or denied the allegations. Both parties consented to entry of a cease-and-desist order precluding them from acting as a broker-dealer without first registering with the SEC and to payment of monetary amounts.

The conflicts of interests related to the SBA Cash Management Program are also detailed in the SBA Cash Management Program presentation and disclosure document and include the inherent conflict associated with principal transactions for those transactions occurring with

the BCM Fund. For further discussion regarding this conflict of interest, refer to *Item 11. Participation or Interest in Client Transactions*.

For a complete explanation of all relevant investment strategies and their associated risks, our clients and investors should review the applicable offering document or disclosure document which may contain explanations of additional strategies, risks, and other related details not discussed above.

ITEM 9. DISCIPLINARY INFORMATION

There have been no disciplinary actions against Cain or any of our officers, principals, or affiliates.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Cain nor any of our officers, principals, or affiliates is registered, nor has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor; nor is an associated person of any of the above.

AFFILIATIONS WITH POOLED INVESTMENT VEHICLES

Cain and our affiliates have sponsored a number of private investment funds that we manage. Cain Capital Management, L.P.; Family Access Exchange, L.P.; Cain Capital Infrastructure, GP, L.L.C.; and Cain Capital Cryptic Genpar, L.P. serve as general partners to some of the fund clients. Additionally, Cain Capital Cryptic Genpar, GP, L.L.C. is the general partner of one of the single purpose vehicle's general partners. Mr. Jones is the sole member of RCJ NTB Real Estate LLC, a single purpose vehicle. The fund clients do not have independent management. Although this arrangement may give us and our affiliates heightened control and discretion over our fund clients, we, along with our affiliates, manage any potential conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each fund client's offering documents.

AFFILIATIONS WITH OTHER INVESTMENT MANAGERS

FAX Genpar, LLC, is an affiliated entity that provides investment management services to Family Access Exchange L.P. ("FAX") and Family Access Exchange L.P. II ("FAX II"). All underlying partnerships of these entities are single purpose vehicles that do not present any conflict of interest with Cain (e.g., fee structures or ownership interests) or our clients.

Fax Genpar, LLC is the general partner of FAX, which has a revenue sharing arrangement with Whitehorse Capital Partners, L.P. ("WHCP"), an unaffiliated investment advisor that collects and distributes management fees.

FAX Genpar, LLC is also the general partner of FAX II, which is a member of BCM High Income GP, LLC. BCM High Income GP, LLC is the general partner of the BCM High Income Fund, LP, in which our clients have invested. The BCM High Income Fund, LP is managed by an unaffiliated investment manager, Banes Capital Management, LLC.

Rod Jones has been retained, as an independent contractor and registered representative, to assist Chertoff Capital, L.L.C. ("Chertoff") with fundraising for its initial private equity fund (the "initial fund"). Subject to the close of the initial fund, Mr. Jones has received a commission, based on the amount of capital commitments directly attributable to his fundraising efforts. Mr. Jones may in the future receive additional compensation from

Chertoff, including referral fees for any new business referred to the parent company, the Chertoff Group, L.L.C.; as well as co-investment rights with respect to the initial fund, provided that Mr. Jones commits personal capital (or capital from his family office or family members). Such compensation arrangements create a conflict of interest with Cain's clients, as Mr. Jones may be incentivized to recommend investment products that he might not otherwise recommend. We mitigate this risk by fully disclosing the potential conflict to all clients and encouraging them to evaluate any recommended investment to ensure that it aligns with their individual goals and investment strategy.

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

CODE OF ETHICS

We have adopted a code of ethics which describes the general standards of conduct that we expect of all Cain personnel (collectively referred to as "employees"). Failure to uphold the code of ethics may result in disciplinary sanctions, including termination of employment. Any client or prospective client may request a copy of our code of ethics, to be provided at no cost, by contacting Hugh Hennessy via the contact information listed on the cover page of this document.

The following basic principles guide all aspects of our business and represent the minimum requirements to which we expects employees to adhere:

- Clients' interests come before employees' personal interests and before Cain's interests.
- Cain must fully disclose all material facts, of which we are aware, about conflicts of interest between our firm and clients as well as between our employees and clients.
- Employees must operate on our behalf, as well as their own behalf, consistently with our disclosures in order to manage the impacts of any conflicts.
- Cain and our employees must not take inappropriate advantage of our positions of trust with or responsibility to our clients.
- Cain and our employees must always comply with all applicable securities laws.

More specifically, in the implementation of the guidelines outlined in the code of ethics, the policies and procedures focus on specific areas in which employee conduct has the potential to adversely affect our clients: (1) personal securities trading and (2) outside business activities. Additionally, our policies prohibit the use of material nonpublic information in any communications or investment decisions.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

The repurchase transactions consummated with the BCM Fund in the SBA Cash Management Program are principal transactions. Cain, in conducting this service, is acting for our own account by selling securities to, or buying securities from, the client. Consequently, in these principal transactions, our interest, economic or otherwise, is potentially counter to the client's interests.

Specifically, in the BCM Fund tri-party repo transactions, our clients are considered the "Buyers." The "Seller" in these transactions is the BCM Fund. Cain and our affiliates have significant business relationships with Baner LLC and the BCM Fund. The BCM Fund is partially

owned and controlled by affiliates of Cain. Family Access Exchange II, LP, a Texas limited partnership ("FAX II"), an affiliate of Cain, owns 20% of the general partner of the Seller, the BCM Fund. In addition, owners, employees, and clients of Cain are limited partners of the BCM Fund. While the owners of Cain do not participate in the day-to-day management of the Seller, the owners of Cain, through their limited partnership interests in the Seller, and their co-ownership, through an affiliate, of the general partner will benefit from the transactions. This presents a potential conflict of interest between us and our client. Cain and our affiliates could be adversely affected if the BCM Fund or Banes LLC suffers losses or damages in connection with the transactions consummated in the SBA Cash Management Program. In the event of a dispute under the SBA Cash Management Program, we may be subject to significant conflicts of interest because of our competing relationship with Banes' entities.

In order to mitigate these conflicts of interest, we are disclosing the existence of these conflicts to our clients. All clients should thoroughly consider these conflicts of interest and their impact on the potential risks and return of each transaction presented prior to consenting to the transaction. While we believe the transactions are negotiated at an arms-length and that the transactions are consummated at fair market prices for such transactions, the overall market for these types of transactions is very limited and there are no reported pricings for similar transactions.

The Solomon Hess Fund tri-party repo transactions are not principal transactions.

PERSONAL TRADING

Cain prohibits personal trading in particular securities, as defined on a periodic basis, depending upon the current investments under consideration or which are being traded for clients. As such, we require the following:

- Pre-clearance before placing a trade with more than \$10,000 in principal or purchasing an IPO or a new private placement outside of Cain;
- Pre-clearance is not required for Cain investments;
- Periodic reporting of employees' personal securities transactions and holdings (employees are required to submit reports of personal securities trades on a quarterly basis and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with our policies.); and
- Prompt internal reporting of code of ethics violations.

ITEM 12. BROKERAGE PRACTICES

BROKER SELECTION

In recommending brokers and negotiating commission rates, we consider various factors, including:

- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- The operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity, and stability of the broker; and the broker's risk in positioning a block of securities;

- The quality, comprehensiveness, and frequency of available research services and other services (if any) that we consider to be of value; and
- The competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria.

However, Cain does not execute securities trades for clients, and many custodial/brokerage relationships are directed by our separate account clients. Therefore, we have no control over trade execution on publicly traded securities for our clients. We meet with our clients' brokers routinely and discuss their best execution efforts.

RESEARCH AND OTHER SOFT-DOLLAR BENEFITS

Soft dollars are credits generated from client transactions with brokers or dealers which are made available to provide research or other services or products to investment advisers. Any use of soft dollar credits requires the approval of the Chief Compliance Officer. We are not currently generating or using soft dollar credits, nor have we done so in the past.

BROKERAGE FOR CLIENT REFERRALS

We do not receive referrals from a broker/dealer or third party providing service to us.

DIRECTED BROKERAGE

Clients often direct us to use particular brokers for trading or as custodians. We therefore have no control over commission rates or quality of trade execution in these accounts.

ORDER AGGREGATION

Private Funds and Managed Accounts

We do not execute trades through broker/dealers for our private funds or managed account clients; therefore, order aggregation is not applicable to these client accounts.

Cash Management Services

We make every effort to allocate investment opportunities in a manner that is fair and equitable to all clients. Transactions for the SBA Cash Management Program are combined and effectuated simultaneously, on a *pro rata* basis, using an omnibus account. Interest earned on transactions is allocated *pro rata* among all participating clients.

In the event that client demand for participation in the SBA Cash Management Program exceeds the capacity of available counterparties, we will seek to allocate such capacity in a manner that we deem fair and reasonable, taking into account multiple factors including the timing of client indications of interest, the size of each client's commitment, the client's liquidity needs, counterparties' capacity, and any other factors that may influence the SBA Cash Management Program's ability to fulfill its responsibilities and objectives. Although we will seek to allocate capacity on a fair and reasonable basis, based on clients' respective indications of interest, there is no assurance that we will be able to do so and some clients may participate to a greater or lesser degree than other clients in the SBA Cash Management Program.

ITEM 13. REVIEW OF ACCOUNTS

The Chief Operating Officer and Chief Compliance Officer review each account at least monthly. More frequent review is performed if considered appropriate as a result of market

or economic conditions, or a change in the price or fundamentals of a particular security. Consideration is given to the client's investment objectives, policies, and restrictions.

PRIVATE FUNDS THAT ARE NOT SPECIAL PURPOSE VEHICLES

We provide private fund investors with annual audited financial statements and tax information.

SPECIAL PURPOSE VEHICLES ("SPVs")

Clients participating in our special purpose vehicles receive tax information.

MANAGED ACCOUNTS

At least quarterly, we provide our family office clients with a written investment report detailing portfolio holdings, valuations (which are provided by outside parties), investment income, and management fees.

Some clients also receive statements from the account custodian. Refer to *Item 15. Custody* for further information. Clients are urged to carefully review custodians' statements and take the time to compare them with those they receive from us. If a client finds significant discrepancies, he/she should notify us, as well as the custodian.

CASH MANAGEMENT SERVICES

We instruct the custodian to send to both the client: (1) a monthly statement showing the assets in the omnibus account and details of all trades and cash transactions that occurred within such account during the period corresponding to the statement, and (2) a monthly statement showing the assets in the client's sub-account and details of all cash transactions that occurred within such account during the period corresponding to the statement.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

PRIVATE FUNDS AND MANAGED ACCOUNTS

Neither Cain, nor any of our principals, employees, or affiliates, receives any economic benefit from non-clients for providing advisory services to our clients. We do not receive referrals from any broker/dealer or third party providing services to us.

CASH MANAGEMENT SERVICES

Cain uses third-party solicitors for referring clients to our SBA Cash Management Program. Any agreement to compensate any party for client referrals is conducted in compliance with Rule 206(4)-3 of the Investment Advisors Act of 1940. Solicitors receive a percentage of the fee paid to Cain, by the client, for our management of the SBA Cash Management Program. Clients do not pay additional fees as a result of any solicitation arrangement.

ITEM 15. CUSTODY

SEPARATE ACCOUNTS

Custody is defined as having any access to client funds or securities. Because we generally have the authority to instruct the account custodian to deduct the management fee directly from a client's account, and because we have bill pay or check writing authority on our clients' accounts, we have custody of the separately managed accounts, even though they are held by qualified custodians. These custodians send account statements, to clients, at least

quarterly. Such statements show the deduction of management fees from the account, as well as all transactions occurring in the account, including any checks written. Refer to *Item 13. Review of Accounts* for further details regarding the review and comparison of account statements received from us and the custodian.

PRIVATE FUNDS

Client assets in private funds are held by qualified custodians that provide statements, at least quarterly, directly to each client and limited partner. Such statements show evidence of ownership.

Where Cain or an affiliated entity is the general partner for a private fund investing in securities, each fund is audited by a PCAOB inspected accounting firm, with the audited financial statements sent to each limited partner, as required. All audits, to date, have resulted in unqualified opinions.

SPVs AND MANAGED ACCOUNTS

Client assets in special purpose vehicles are held by qualified custodians. Each custodian provides statements, at least quarterly, directly to our clients and investors. Evidence of ownership is detailed in the statements.

Annual surprise exams are conducted for the special purpose vehicles and family office client accounts in which Cain or an affiliate has bill pay or check writing authority.

CASH MANAGEMENT SERVICES

Client account assets, invested in the SBA Cash Management Program, are held by a qualified custodian. Cain does not have direct custody of any of the clients' assets. The omnibus account will, at all times, be held in Cain's name for the benefit of our clients. Each client has an undivided interest in the transaction, which is held in the omnibus account, by the custodian, with such other clients' undivided interests in the transaction. Each time a client desires to participate in a transaction, the client must provide Cain with written consent and give Cain the authority to instruct the custodian regarding the transaction.

ITEM 16. INVESTMENT DISCRETION

PRIVATE FUNDS AND MANAGED ACCOUNTS

We have the authority to engage or terminate engagements of outside managers providing investment advice to clients' separate accounts.

Although we do not have to obtain specific client consent before determining the type or amount of securities to be purchased or sold, the types of securities which may be purchased or sold on behalf of each client, as well as any exposure limits or investment thresholds, are set forth in the respective private placement memoranda distributed to each client's potential investors. The limited partnership agreements provide us with a limited power of attorney on behalf of each partnership. We do not use brokers in our transactions in hedge fund securities.

CASH MANAGEMENT SERVICES

We do not have investment discretion with respect to clients' participation in the SBA Cash Management Program. Each time a client wishes to participate in a transaction, in the SBA

Cash Management Program, the client must provide Cain with written consent approving the transaction and giving us the authority to instruct the custodian regarding the transaction.

ITEM 17. VOTING CLIENT SECURITIES

Several client accounts hold public securities. Neither Cain, nor any outside manager, votes proxies for client accounts. Each client receives all proxy materials directly from the account custodian.

ITEM 18. FINANCIAL INFORMATION

We are not required to provide financial statements. However, there are no current financial conditions that might affect our ability to provide services to our clients.