



PART 2A OF FORM ADV: FIRM BROCHURE

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This Form ADV Part 2A brochure (the "Brochure") provides information about the qualifications and business practices of Melkonian Capital Management, LLC ("MCM," the "Investment Adviser," "we," or "our"). If you have any questions about the contents of this Brochure, please contact Mr. David Zornitsky at (212) 300-6006 or by email at david@melkoniancapital.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. References in this Brochure to MCM as a "registered investment adviser" are not intended to imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

We are submitting an other-than-annual amendment to this Brochure as of September 11, 2018 to reflect the following change that has occurred since the annual amendment on March 29, 2018:

- Melkonian's principal office and place of business has been updated to reflect an office move.

In the future, when we amend our Brochure for its annual update and the amended version contains material changes from the prior version, it will identify and discuss those changes either on this page or as a separate document accompanying the Brochure.

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ITEM 4 – ADVISORY BUSINESS

Melkonian Capital Management, LLC (“MCM,” the “Investment Adviser,” “we,” or “our”), a Delaware limited liability company formed in 1998, is an investment management firm located in New York, New York. Mr. Ryan Melkonian (the “Managing Member” or “Chief Investment Officer”) is MCM’s Chief Investment Officer, founding member and sole owner of the Firm. MCM provides discretionary investment advisory services solely to privately pooled investment vehicles. The following comprise the private investment funds (each one a “Fund” and collectively the “Funds” or the “Advisory Clients”):

- LTE Partners, LLC, a Delaware limited liability company (the “LTE Master Fund”);
- LTE Partners, Ltd., a Cayman Islands exempted company (the “LTE Offshore Fund”);
- LTE Partners1, LLC, a Delaware limited liability company (the “LTE Onshore Fund” and together with the LTE Master Fund and LTE Offshore Fund, the “LTE Funds”);
- MCM Sebela Holdings, L.P., a Cayman Islands exempted limited partnership (“MCM Sebela”); and
- MCM Sebela Holdings II, LP, a Cayman Islands exempted limited partnership (“MCM Sebela II” and together with MCM Sebela, the “MCM Sebela Funds”).

The LTE Offshore Fund and the LTE Onshore Fund invest substantially all of their assets in the LTE Master Fund, through a master-feeder fund structure.

LTE Management, LLC (the “Manager”), an affiliate of MCM, serves as the manager of the LTE Master Fund and LTE Onshore Fund. The Manager is responsible for the day-to-day business operations of the LTE Funds and has delegated investment discretion of the LTE Funds to MCM (the “Investment Adviser”) through an Investment Management Agreement.

MCM Sebela Management, LLC (the “General Partner”), an affiliate of MCM, serves as the general partner to the MCM Sebela Funds. The General Partner is responsible for the day to day business operations of the MCM Sebela Funds and has delegated investment discretion of the MCM Sebela Funds to the Investment Adviser (e.g., MCM) through a limited partnership agreement.

The LTE Funds and MCM Sebela Funds are referred to collectively in this Brochure as the “Advisory Clients.” “Investors” are investors in or the beneficial owners of interests or shares in the corresponding Fund(s).

MCM has broad and flexible investment authority with respect to the Advisory Clients.

MCM specializes in investment opportunities in private equity, real estate and public markets. Through employing a bottom-up, research-driven approach, MCM targets well vetted investment ideas to assemble a concentrated portfolio of high-conviction holdings. These select investments are carefully monitored and often the firm is able to serve as a value-added partner and influence outcomes.

The MCM Sebela Funds (MCM Sebela Holdings LP and MCM Sebela Holdings II LP) were formed to invest in a single company in the pharmaceutical sector.

The Funds' structures, investment objectives and strategies are set forth in a confidential private offering memorandum (each a "PPM") or limited partnership agreement (each an "LPA") provided to each Investor in the relevant Fund (collectively the "Offering Documents.")

With respect to the Funds, MCM generally does not tailor its advisory services to the individual needs of Investors.

MCM may from time to time in the future, enter into side letter agreements or other similar agreements (collectively, "Side Letters") with one or more Investors that provide such Investors with additional and/or different rights or terms than those set forth in the Offering Documents of the Funds. The modifications are solely at the discretion of MCM and may, among other things, be based on the size of the Investor's investment in the Funds, an agreement by an Investor to maintain such investment in the Funds for a significant period of time, or other similar commitment by an Investor.

MCM does not participate in wrap fee programs.

As of December 31, 2017, MCM has \$158,019,907 of regulatory assets under management on a discretionary basis. MCM does not currently manage any assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

MCM, or an affiliate, is compensated in the form of an asset-based management fee (a "Management Fee") and performance-based compensation or allocation (an "Incentive Allocation"). Investors in the Funds each bear their respective portions of the Management Fee and Incentive Allocation. The specific fee schedules for the Funds are described in detail in the Offering Documents.

The LTE Master Fund will pay to MCM a quarterly Management Fee calculated at an annual rate of 2.0% of each Investor's capital account (the "LTE Management Fee"). The LTE Management Fee will be paid quarterly in advance, based on the value of each Investor's capital account, as of the first business day of each calendar quarter. The LTE Master Fund will not refund any portion of the LTE Management Fee previously paid with respect to any intra-quarter withdrawal. For the avoidance of doubt, each of the LTE Offshore Fund and LTE Onshore Fund will not pay MCM any LTE Management Fee directly, however, as Investors in the LTE Master Fund, the LTE Offshore Fund and the LTE Onshore Fund, and therefore each Investor in such a fund, will bear their pro rata portion of the LTE Master Fund's LTE Management Fee.

The MCM Sebela Funds will pay to MCM a Management Fee equal to 2% value of each MCM Sebela Fund as the last day of the most recently ended fiscal year (collectively, the "MCM Sebela Management Fee").

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At the end of each fiscal year (December 31), the General Partner, as the holder of certain allocation class shares in the LTE Master Fund and LTE Holdings, LLC (a wholly-owned subsidiary of the LTE Master Fund that holds certain of LTE Master Fund's assets), will receive an annual incentive allocation equal to 20% of the net profits (including realized and unrealized gains and losses) attributable to each Investor's capital account, if any, subject to a loss carryforward provision (the "LTE Incentive Allocation"). In the event that an Investor withdraws/redeems capital (in whole or in part) at any time other than at the end of a fiscal year, the deduction of the LTE Incentive Allocation will be made with respect to such Investor as of the withdrawal/redemption date.

The Manager has waived or modified the LTE Management Fee and/or LTE Incentive Allocation for certain Investors that are members, employees or affiliates of the General Partner or MCM, relatives of such persons, and for certain other Investors.

MCM (or an affiliate) deducts fees from Investors' assets invested in the Funds. Investors do not have the ability to choose to be billed directly for fees incurred.

The LTE Management Fee will be paid quarterly in advance. The LTE Incentive Allocation will be paid annually.

The MCM Sebela Funds will pay the General Partner 20% of the Net Cash Flows, as defined in the Limited Partnership Agreement, that exceed 125% of the initial investment of each individual investor.

It is critical that Investors refer to their respective Fund's Offering Documents for a complete understanding of how MCM is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's Offering Documents.

LTE Funds

The LTE Master Fund and LTE Offshore Fund pay all of their organizational expenses in connection with the offering of Interests contemplated hereby, the preparation of the PPMs and the entry into certain of the contracts to which the Fund is a party. Such expenses are being amortized over a period of sixty months. The Manager may advance payment of any such expenses and will be reimbursed by the LTE Funds therefor. The LTE Onshore Fund has amortized all of its initial organizational and initial offering expenses, and is currently amortizing certain offering and reorganization expenses. The Manager advances payment of any such expenses and is reimbursed by the LTE Onshore Fund.

The LTE Onshore Fund and the LTE Offshore Fund pay all of their (and their pro rata share of the LTE Master Fund's ordinary and extraordinary expenses, including (i) expenses in connection with the organization of each class and in the case of the LTE Onshore Fund, expenses in connection with the reorganization of the LTE Onshore Fund; (ii) all costs and expenses associated with the offering of interests; (iii) brokerage commissions and other transaction costs and investment-related expenses incurred in connection with the LTE Fund's investment and trading activities, including research expenses and the costs of any independent accountants or other experts or

consultants engaged by the Investment Adviser in connection with specific investments; (iv) any interest, fees, and costs of LTE Fund-related borrowings; (v) routine operational costs such as legal, accounting, bookkeeping, auditing, consulting and other professional expenses, administration and tax preparation expenses, directors' fees (including affiliated directors' fees), all taxes (if any), costs and expenses related to regulatory compliance matters in respect of or related to the LTE Funds (including the Form ADV and any other filing obligations and in the case of the LTE Offshore Fund, any related filing obligation of the LTE Offshore Fund or the Investment Adviser), and fees payable to governments or agencies; (vi) the cost of any E&O insurance and in the case of the LTE Onshore Fund and LTE Offshore Fund, directors and officers insurance; (vii) research-related travel expenses of the Investment Adviser; and (viii) extraordinary expenses (e.g., litigation costs, indemnification obligations, and costs incurred in connection with a reorganization or restructuring of the LTE Funds), if any.

The LTE Funds also bear a pro-rata share of similar costs and expenses of any investment vehicle in which they invest, and may also be charged additional asset and/or performance-based fees by investment vehicles that are managed by persons not related to or affiliated with the Manager or Investment Adviser. In addition, the LTE Funds may retain, at the expense of the LTE Funds, third parties (including the Manager, Investment Adviser and/or affiliates thereof) for necessary services relating to certain financial instruments acquired by the LTE Funds, including any management, construction, insurance (including, without limitation, any property and casualty insurance), leasing, development, group purchasing and other property management services and asset management services, provided that if the Manager or any affiliate thereof is so retained the Manager will seek to do so on arm's-length terms. Any compensation earned by the Manager, the Investment Adviser or any affiliates for such services will be retained by such affiliates.

MCM Sebela Funds

The MCM Sebela Funds shall pay (or reimburse the Investment Adviser or its affiliates for) all organizational expenses incurred by or on behalf of the respective MCM Sebela Fund, including, but not limited to, legal and accounting costs.

On an ongoing basis, the MCM Sebela Funds shall pay, or reimburse the Investment Adviser for its payment of, to the extent not paid by the portfolio company (as discussed below) or other Person, all of the MCM Sebela Funds' operating expenses, including but limited to those described as follows: (i) costs and expenses incurred in connection with the sourcing, evaluation, acquisition, financing, management, operation or disposition of the investment (whether or not consummated), including, without limitation, placement fees, sales commissions, appraisal fees, taxes, brokerage fees, and legal, accounting, investment banking, consulting, information services and professional fees (which reimbursement may include affiliates of the General Partner) related to the discovery, investigation, development, making, management and disposition of the investment (whether or not consummated); (ii) costs and expenses incurred in connection with the carrying or management of the investment and in the case of MCM Sebela Holdings II, this includes, without limitation, management, leasing and other administration fees; (iii) expenses incurred in connection with the MCM Sebela Fund's financial statements, reports, tax returns and Schedule K-1's (or similar schedules or other communications with the Investors); (iv) fees and disbursements of attorneys and accountants relating to MCM Sebela Fund matters; (v) taxes and other governmental charges that may be incurred or payable by the MCM Sebela Fund; (vi) insurance premiums or expenses incurred by the MCM Sebela Fund in connection with the

activities of the MCM Sebela Fund; (vii) expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities of the MCM Sebela Fund or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the MCM Sebela Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except, however, to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the MCM Sebela Fund's Offering Documents; (viii) costs and expenses incurred in connection with the dissolution, winding up or termination of the MCM Sebela Fund; (ix) costs and expenses incurred in connection with distributions to the Investors; (x) expenses incurred in connection with the formation of investment vehicles, if any; (xi) expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the MCM Sebela Fund, the General Partner and any investment vehicles; (xii) expenses related to the MCM Sebela Fund's indemnification obligations pursuant to the MCM Sebela Fund's Offering Documents; and (xiii) the Management Fees. Sebela Holdings, AG, the portfolio company, reimburses the MCM Sebela Funds for all reasonable administrative, audit, tax, legal and other out-of-pocket expenses incurred in connection with the formation and continued existence and maintenance of the MCM Sebela Funds.

In no event shall the MCM Sebela Funds pay any Overhead Expenses (i.e., rent for the Partnership's place of business, salaries, benefits or other compensation of personnel) of the Investment Adviser or the General Partner.

MCM is responsible for its own general operating and overhead costs including salaries, employee benefits, office rent and other general overhead costs.

Please note that Investors will indirectly incur brokerage and other transaction costs related to their investment in the Funds. Please see Item 12 of this brochure for a more detailed discussion of MCM's brokerage practices.

It should be noted that a complete description of all fees and expenses for the Funds is disclosed within the respective Funds' Offering Documents.

As discussed above, the LTE Master Fund will pay to MCM a quarterly management fee calculated at an annual rate of 2.0% of each Investor's capital account (the "LTE Management Fee"). The LTE Management Fee will be paid quarterly in advance, based on the value of each Investor's capital account, as of the first business day of each calendar quarter. The LTE Master Fund will not refund any portion of the LTE Management Fee previously paid with respect to any intra-quarter withdrawal. For the avoidance of doubt, each of the LTE Offshore Fund and LTE Onshore Fund will not pay MCM any LTE Management Fee directly, however, as Investors in the LTE Master Fund, the LTE Offshore Fund and the LTE Onshore Fund, and therefore each Investor in such a fund, will bear their pro rata portion of the LTE Master Fund's LTE Management Fee.

The MCM Sebela Funds will pay a Management Fee annually on the anniversary of the closing date equal to 2% of the value of the Partnership as of the last day of the most recently ended fiscal year.

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

As described above in Item 5, the Manager/General Partner receives performance-based compensation from the LTE Master Fund and LTE Holdings, LLC and the General Partner of the MCM Sebela Funds receives performance-based compensation from the MCM Sebela Funds. As a result, MCM believes that it is not subject to the conflict of interest that could arise if the Investment Adviser were to receive performance-based fees or compensation from some but not all of its clients.

It should be noted that the potential to receive performance-based compensation creates a potential conflict of interest in that MCM (or an affiliate of MCM) may have the incentive to make investments that are riskier or more speculative than they would make in the absence of performance-based compensation. And because the performance-based compensation is calculated on a basis that includes unrealized appreciation of the Funds' assets, the performance-based compensation may be greater than if it were based solely on realized gains. MCM recognizes that it is a fiduciary and as such must act in the best interests of its Advisory Clients. Further, Investors are provided with clear disclosure in applicable Funds' Offering Documents as to how the performance-based compensation is charged.

ITEM 7 – TYPES OF CLIENTS

As described above in Item 4, MCM provides discretionary investment advisory services to privately pooled investment funds.

In order to invest in the Funds, a prospective Investor is required to make certain representations as to suitability and legal requirements of the respective Fund.

LTE Funds

Investors in the LTE Onshore Fund must be "accredited investors" as that term is defined in Rule 501 of Regulation D of the Securities Act of 1933 (the "Securities Act"). Investors in the LTE Master Fund and the LTE Offshore Fund must be "accredited investors" as that term is defined in Rule 501 of Regulation D of the Securities Act and must also be "qualified purchasers" within the meaning of Section 2(a)(51) and Rule 2a51-1 under the Investment Company Act of 1940.

MCM may also impose minimum initial investment amounts for Investors in the Funds. The LTE Funds impose a \$1 million minimum initial investment amount. The LTE Onshore Fund imposes a \$50,000 minimum for subsequent investments, while the LTE Offshore Fund imposes a \$100,000 minimum for subsequent investments. The minimum investment amounts are subject to waiver at the discretion of MCM (or an affiliate of MCM).

MCM Sebela Funds

Investors in the MCM Sebela Funds must be “accredited investors” as that term is defined in Rule 501 of Regulation D of the Securities Act.

The MCM Sebela Funds are currently closed to new Investors.

**ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES
AND RISK OF LOSS**

Investing in securities involves risk of loss that Advisory Clients and Investors should be prepared to bear.

LTE Funds

MCM specializes in investment opportunities in private equity, real estate and public markets. Through employing a bottom-up, research-driven approach, MCM targets well vetted investment ideas to assemble a concentrated portfolio of high-conviction holdings. These select investments are carefully monitored and often the firm is able to serve as a value-added partner and influence outcomes.

MCM has the ability to allocate a significant portion of the LTE Funds’ assets in securities of privately held companies and/or real estate that are long-term, illiquid and/or that do not have a readily ascertainable market value, and are classified as private investments.

The LTE Funds may borrow funds in connection with its investment activities, both for leveraging purposes and to acquire investments in anticipation of new capital contributions, as well as to fund withdrawals that would otherwise result in the premature liquidation of investments. The use and amount of leverage will vary throughout the life of the Fund. MCM also may “leverage” the LTE Funds’ investments through its trading in futures, swaps, options and other financial instruments with a substantial degree of “imbedded” leverage (i.e., instruments for which the margin required to establish and maintain a position is low relative to the total value of the instrument). The LTE Funds may enter into credit agreements from time to time for the purpose of facilitating Investor withdrawals, paying fees, covering margin payments and for other general corporate purposes. The credit agreements entered into by the LTE Funds may be secured by the assets of one or more series or classes of Interests, regardless of whether the LTE Funds utilizes the credit facility for the benefit of each series or class of Interests.

MCM Sebela Funds

The MCM Sebela Funds are organized for the purposes of (i) investing (directly or indirectly through one or more U.S. or foreign holding companies) in a private company in the pharmaceutical sector, (ii) financing, holding and selling such investments, (iii) managing and

supervising such investments, and (iv) engaging in such other activities incidental or ancillary thereto as the General Partner deems necessary, advisable or desirable, in each case in accordance with the MCM Sebela Fund's Offering Documents. It should be noted that the MCM Sebela Funds are closed to new Investors.

An investment in the Funds managed by the Investment Adviser may be deemed speculative and is not intended as a complete investment program. Investing in the securities markets in general and in the Investment Advisers' funds or accounts in particular involves significant risk. Investments in the funds or accounts managed by the Investment Adviser are appropriate for only experienced and sophisticated persons who meet certain eligibility criteria, are able to bear the risk of loss of some or all of an investment, and have a limited need for liquidity.

LTE Funds

Illiquidity and Volatility. The LTE Funds may be adversely affected by a decrease in market liquidity for certain of the financial instruments that it trades (which could impair MCM's ability to adjust the LTE Funds' positions, balance sheets and risk in response to trading losses or other adverse developments), including as a result of Investors fleeing certain asset classes in which the LTE Funds trade. Illiquid investments may have to be held for lengthy periods of time and may have no readily ascertainable market value. As a result, such Financial Instruments may take more time and expense to value and/or sell, and the realizable price upon a disposition of such financial instruments may differ materially from their fair value. The illiquidity of positions held by the LTE Funds could cause the LTE Funds to suspend calculation of the Net Asset Value of the affected interests or to suspend withdrawals of the affected Interests. In addition, some or all of the LTE Funds' illiquid investments may be deemed "Designated Investments", which could require Investors in the affected interests to maintain an interest in such investments for an extended period. The size of the LTE Funds' positions may magnify the effect of a decrease in market liquidity for the financial instruments it trades. Changes in the overall market leverage (e.g., deleveraging or liquidations by other market participants of the same or similar positions) also may adversely affect the LTE Funds' positions.

Leverage. The low margin and collateral deposits required to trade certain financial instruments may permit a high degree of leverage. The LTE Funds may "leverage" investment returns with options, forwards and other derivative instruments. In addition, the LTE Funds may utilize bank-and/or broker-provided financing in its trading of equities and similar financial instruments and may utilize borrowings for purposes of covering margin requirements applicable to the LTE Funds' financial instrument positions and to increase the amount of capital available for investment. The degree of leverage that the LTE Funds may utilize is not limited to any predetermined level, but will be subject to applicable legal, regulatory, bank or broker imposed leverage limitations, to the extent applicable. The amount of borrowings the LTE Funds may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates, generally, and the rates at which the LTE Funds can borrow, in particular, will affect the operating results of the LTE Funds. While leverage presents opportunities for increasing the returns of the LTE Funds, it also has the effect of potentially increasing losses. If the LTE Funds are in a leveraged position, any losses would be more pronounced than if leverage were not used and, under particularly adverse circumstances, could exceed its capital. The LTE Funds' use of margin and other borrowings creates certain additional risks to the LTE Funds. In the event of a sudden precipitous drop in the

value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to cover a margin call or other collateral call.

Effectiveness of Risk Reduction Techniques. MCM may employ various risk reduction strategies designed to minimize the risk of its trading positions. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and when possible will not always be effective in limiting losses. If MCM analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with MCM's investments, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These risk reduction techniques may also increase the volatility of the LTE Funds and/or result in a loss if the counterparty to the transaction does not perform as promised.

Short Sales. A short sale involves the sale of a financial instrument that the LTE Fund do not own in the expectation of purchasing the same financial instrument (or a financial instrument exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the LTE Funds often must borrow the financial instrument, and the LTE Funds are obligated to return the financial instrument to the lender, which is accomplished by a later purchase of the financial instrument by the LTE Funds. When the LTE Funds make a short sale of a financial instrument on a U.S. exchange, it must leave the proceeds thereof with a broker and it must also deposit with a broker an amount of cash or U.S. Government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law of the jurisdiction in which such exchange is located. A short sale involves the risk of a theoretically unlimited increase in the market price of the financial instrument. The extent to which MCM engages in short sales depends upon its investment strategy and perception of market direction; the LTE Funds does not necessarily have a policy limiting the amount of capital it may deposit to collateralize its obligations to replace borrowed financial instruments sold short.

Pricing Information. While pricing information is available for many of the financial instruments in which the LTE Fund invest, observable pricing inputs may not always be available from any source. For purposes of calculating the LTE Funds' Net Asset Value and valuing financial instruments, valuations of financial instruments for which observable pricing information cannot be obtained (including with respect to private investments and Designated Investments) will be made based upon unobservable data that reflect the Manager's own assumptions about the factors that a market participant would use in pricing the financial instruments. Prices quoted by different sources are subject to material variation. While the Manager will make reasonable efforts in good faith to evaluate such information, there can be no assurance that the value of an asset owned by the LTE Funds will be realized upon its disposition. The Manager, and by delegation, the Administrator, may rely upon pricing services reasonably selected by either of them and will not, in the absence of fraud or willful misconduct, be liable for any loss suffered by the LTE Funds or any Investor by reason of any error in calculation resulting from any inaccuracy in the information provided by any pricing service.

Portfolio Valuation. The LTE Funds' investments in illiquid, restricted or other financial instruments without observable pricing inputs may be difficult to value accurately and may be valued based upon unobservable data that reflect the LTE Funds' own assumptions about the factors that a market participant would use in pricing the financial instruments. The LTE Funds may elect not to engage an independent valuation agent to value the relevant financial

instruments, and in any event, the valuation of such financial instruments may be subjective and may fail to reflect the actual value of the financial instruments. In light of the foregoing, there is a risk that an Investor who withdraws all or part of its interest while an LTE Fund (directly or indirectly) holds such investments will be paid an amount less than such Investor would otherwise be paid if the actual value of such investments is higher than the value designated by the LTE Fund. Similarly, there is a risk that such Investor might, in effect, be overpaid, and accordingly the value of the interests of the other Investors might be diluted, if the actual value of the investments in illiquid, restricted or otherwise hard to value financial instruments is lower than the value designated by the LTE Fund. Likewise, an Investor who subscribes while the LTE Fund holds illiquid, restricted or otherwise hard to value financial instruments may underpay for the interest purchased if the actual value of such financial instruments is higher than the value designated by the LTE Fund as of the applicable closing date, or, conversely, may overpay for the interest if the actual value of such financial instruments is lower than the value designated by the LTE Fund. In addition, valuations assigned to such illiquid, restricted or otherwise hard to value financial instruments without observable pricing inputs are taken into account in determining the Performance Allocation and the Management Fee. Because of the subjective nature of valuing such financial instruments, and because the valuations assigned thereto by the Manager may fail to reflect the actual value of the financial instruments, there is a risk that the fees paid to, and allocations made to, MCM and the Manager, as applicable, may not reflect the true value of such financial instruments and there is no clawback of such fees or allocations if the amounts ultimately realized upon the sale of such financial instruments is less than the value assigned thereto by the Manager.

Cross Class Liability under Credit Facilities. The LTE Funds may enter into credit facilities from time to time for the purpose of facilitating Investor withdrawals, paying fees, covering margin payments and for other general corporate purposes. The Manager may have the right to allocate the funds available under each credit facility to one or more classes of interests as the Manager determines in its sole discretion. The credit facilities may be secured by the assets of one or more series or classes of interests. In such case, the liabilities and obligations incurred by a particular series or class of Interests (as applicable) under a credit facility would be enforceable against all of the assets of each other series or class of interests. Therefore, a default under a credit facility by a particular series or class of interests could give rise to a claim against one or more other series or classes of interests and could result in the full or partial liquidation of one or more other series or classes of Interests, regardless of whether the LTE Fund utilizes the credit facility for the benefit of such other series or classes of interests.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the Investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected.

Derivatives

The investment strategy has in the past and may in the future utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and

contracts for differences, as part of its investment policy. These instruments can be highly volatile and expose Investors and clients to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

Non-United States Securities

The investment strategy may invest in securities outside of the United States. Investing in securities of foreign governments and companies that are generally denominated in currencies other than the United States dollar, and utilization of foreign currency forward contracts and options on foreign currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Private Equity Investments

Investing in private placements includes the risks associated with investing in companies operating at a loss or with substantial variations in operating results from period to period and investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more expansive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. The Fund may invest in the form of equity or “equity linked” securities. As a result, the rights or claims of the Fund may be subordinate to those of other parties, including debt or senior equity holders, in the event of the failure of any company in which the Fund invest. The companies in which the Fund invest may be thinly traded and undercapitalized and therefore may be more sensitive to adverse business or financial developments. In the event that a company in which the Fund invests is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of the Fund’s investment in such company could be significantly reduced or even lost entirely. Business risks may be more significant in smaller or development-stage companies in which the Fund invests, including intense competition, changing business and economic conditions or other developments that may adversely affect their performance. Profits of the Fund, if any, may be derived from a relatively small number of their investments in private placements. The goal of making investments in companies that will provide superior investment returns will be difficult to achieve. There is no guarantee that the Fund will be able to invest its capital on attractive terms or that returns on such investments will exceed returns on alternative investments available to prospective Investors in the Fund. The ability of the Fund to liquidate its positions and generate profits in investments in private placements may also be adversely affected by a failure of companies in which it invests to comply with registration, conversion, exchange or other obligations under the agreements pursuant to which such securities have been sold to the Fund.

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Furthermore, the Fund may be prohibited from liquidating its investment in certain private placements.

Although the Investment Advisor will seek to monitor the performance of each private placement investment in which the Fund invests, it will primarily be the responsibility of each company's management team to operate the relevant company on a day-to-day basis. Although the Fund generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will operate the company successfully.

MCM Sebela Funds

Nature of Investments. The MCM Sebela Funds were established to invest in a single private company and is now closed to new Investors and new investments. There were two capital raises, the first in August 2013 and the second in August 2014.

It is very important that Investors refer to the respective Offering Documents for a complete understanding of the material risks involved in relation to Investment Adviser's investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such documents.

ITEM 9 – DISCIPLINARY INFORMATION

Neither MCM nor any of its Supervised Persons or Employees have been the subject of any material legal or disciplinary event required to be disclosed in response to this item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither MCM nor any of our principals or employees is registered as a broker-dealer or a registered representative of a broker-dealer.

Neither MCM nor any of our principals or employees is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

MCM serves as the Investment Adviser to the Advisory Clients. As noted in Item 4 above, affiliates of Investment Adviser serve as the Manager (LTE Management, LLC) of the LTE Funds and as the General Partner (MCM Sebela Management, LLC) of the MCM Sebela Funds.

From time to time, certain Funds may hold or acquire positions in private companies in the portfolio in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which one or more Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple Funds hold an interest in the same private company, disposition opportunities with respect to that investment shall be liquidated at the same time and on the same economic terms, unless otherwise required by law or regulation or the terms of the respective Funds' Offering Documents.

As described elsewhere in this Brochure, investments by MCM include board representation and customary shareholder rights. As such, MCM's management persons may have management roles with a private company in the portfolio. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a private company in a portfolio, actions that may be in the best interests of the private company may not be in the best interests of the Fund(s), and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the Investment Adviser and such individual's duties as a director or officer of such private company in the portfolio.

MCM neither recommends nor selects other investment advisers for the Funds.

MCM does not recommend or select other investment advisers for its Advisory Clients or receive compensation from such advisers in a manner that would create a material conflict of interest. MCM does not have other business relationships with other advisers that create a material conflict of interest.

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

MCM has adopted a Code of Ethics (the “Code”) designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (“Advisers Act”). The Code sets forth a standard of business conduct that takes into account MCM’s status as a fiduciary and requires “Access Persons” to place the interests of Advisory Clients and Investors above their own interests. Each employee of MCM is deemed to be an Access Person.

The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of MCM’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.

As required by Rule 204A-1 of the Advisers Act, the Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must also provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person and the report must not be older than 45 days. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.

In summary, the Code is designed to (i) prevent improper personal trading by MCM’s Access Persons; (ii) prevent improper use of material, nonpublic information about securities recommendations made by MCM or securities holdings of MCM’s Advisory Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of Advisory Clients.

Further, MCM’s Code of Ethics ensures the protection of nonpublic information about the activities of the Funds. Investors or prospective Investors may obtain a copy of MCM’s Code of Ethics by contacting MCM’s Chief Compliance Officer, Mr. David Zornitsky at (212) 300-6006 or by email at david@melkonian.com.

As explained in Item 10 above, MCM serves as the Investment Adviser to the Advisory Clients. MCM, its employees, affiliates or their related persons may also invest directly in any one, some or all of the Funds.

Affiliates of MCM serve as the:

- Manager to the LTE Master Fund and LTE Onshore Fund (LTE Management, LLC) and
- General Partner to MCM Sebela Holdings LP and MCM Sebela Holdings II LP (MCM Sebela Management, LLC).

The fact that MCM, its employees, affiliates or their related persons have a financial ownership interest in the Funds creates a potential conflict in that it could cause MCM to make different investment decisions than if they did not have such a financial ownership interest. Further, MCM (and/or the Manager or General Partner) charges certain of the Advisory Clients fees based on a percentage of assets under management. Such asset-based fees are payable without regard to the overall success or income earned by those Advisory Clients and therefore may create an incentive on the part of MCM to raise or otherwise increase assets under management to a higher level than would be the case if MCM were receiving a lower fee or no management fee. The receipt of performance-based compensation by the Manager or the General Partner may create an incentive for MCM to make investments for the Advisory Clients that are riskier or more speculative than it otherwise would. Advisory Clients and Investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment. Such disclosures have been made in this Brochure and in the Offering Documents for the respective Fund(s).

Related persons of MCM may buy, sell or otherwise invest in securities that MCM also recommends to Advisory Clients. Each such related person transaction is separately identified and made strictly in accordance with MCM's Code of Ethics.

As stated in Item 11A. and 11.B herein, in order to address these potential conflicts and in recognition of MCM's fiduciary obligations to its Advisory Clients and MCM's desire to maintain its high ethical standards, MCM has adopted a Code of Ethics containing provisions designed to: (i) prevent improper personal trading by MCM's "Access Persons"; (ii) prevent improper use of material, nonpublic information about securities recommendations made by MCM or securities holdings of the Funds; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Funds.

As required by Rule 204A-1 of the Advisers Act, MCM requires its Access Persons to report their securities transactions on a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. MCM also restricts the personal trading of its Access Persons. In particular, MCM maintains a Restricted List containing the names of securities which Access Persons are generally prohibited from trading.

MCM also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, nonpublic information. Access Persons of MCM are required to certify their compliance with such policies and procedures as well as the Code of Ethics on an annual basis.

In certain cases, more than one Fund may invest in a given portfolio company. This may cause a conflict of interest in that MCM may have an incentive to allocate particularly attractive investment opportunities to the Fund that is expected to generate carried interest or to permit that Fund to exit investments at a time that would maximize its returns, potentially to the detriment of the other Fund. Each Fund's Offering Documents provide a detailed explanation as how MCM will manage such potential conflict. In addition, MCM and the Manager/General Partner seek to ensure that all investments made by Funds are fairly and equitably allocated.

ITEM 12 – BROKERAGE PRACTICES

MCM has authority for selecting the broker-dealer used in each transaction for the Advisory Clients and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. MCM recognizes its duty to seek “best execution” as required under the Advisers Act. Consistent with such duty, in determining best execution, MCM takes into account the full range and quality of a broker-dealer’s services, including research and other services. As a result, MCM does not select broker-dealers solely on the basis of lowest possible commission costs, but by the best overall qualitative execution.

LTE Funds

Consistent with MCM’s policies and procedures, consideration is given to a variety of factors, including but not limited to one or more of the following:

- the general execution and operational facilities of the broker or dealer;
- the type and size of the transaction involved;
- the creditworthiness of the broker or dealer;
- the stability of the broker or dealer;
- execution and settlement capabilities;
- time required to negotiate and execute the trade;
- research services and MCM’s arrangements related thereto;
- overall performance;
- the dealer’s risk in positioning the securities involved and
- the broker’s commissions and dealer’s spread or mark-up.

While MCM’s primary consideration in allocating transactions to broker-dealers is to obtain favorable prices and efficient executions, MCM does not have an obligation to, and does not always seek to, obtain the lowest priced execution regardless of qualitative considerations. Commission rates are generally negotiable and thus selecting brokers-dealers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

MCM Sebela Funds

MCM’s investment strategy for the MCM Sebela Funds invests in private transactions that are not executed on an exchange and as such does not utilize brokers. Notwithstanding the above, MCM may in the future utilize brokers and investment banks in connection with the purchase and/or sale of private companies in the portfolio. This is typically done on a very limited basis to remove restrictions from the securities and to help liquidate the securities in the open market. Any such purchases or sales will be executed in accordance with best execution. Although MCM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

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MCM does not participate in any soft dollar arrangements.

MCM does not utilize the capital introduction services of a prime broker.

MCM does not accept directed brokerage arrangements, whereby a client would require that account transactions must be effected through a specified broker-dealer.

ITEM 13 – REVIEW OF ACCOUNTS

Advisory Client' accounts ("Accounts") are under continuous review with regard to investment policy, the suitability of the investments used to meet policy objectives, cash availability and investment objectives. MCM's Chief Investment Officer conducts the reviews and engages in no less than weekly discussions regarding the Accounts. The Chief Investment Officer discusses, among other things, investment performance, each Account's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return. In the course of the reviews, the Principle seeks to assure early recognition of any diminution in the value of an investment. Additional or more frequent reviews may be triggered by investment performance, changes in market conditions or other non-market risk analysis.

In addition, the Chief Investment Officer generally reviews Accounts in the event of the realization of certain "events" which drive a contemplated or actual trade or the occurrence of certain other market movements which materially impact the underlying investments of the accounts.

LTE Funds

The Investment Adviser in cooperation with the Manager has directed the Administrator of the LTE Funds to provide to each Investor in the LTE Funds a quarterly statement showing their capital balance, subscriptions, redemptions and net return for the period for their investment in the respective LTE Fund(s). On a periodic basis each Investor will receive a letter from MCM updating them on the progress of the Funds. Each Investor in the LTE Funds also receives, where applicable, annual tax reporting information (K-1s).

MCM Sebela Funds

The Investment Adviser provides each Investor in the MCM Sebela Funds with annual tax reporting information with account values and periodic updates.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

MCM is compensated exclusively by its Advisory Clients for providing investment advice.

ITEM 15 – CUSTODY

With respect to the Funds, in accordance with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) MCM is deemed to have custody by virtue of its status as the investment adviser or that an affiliate of MCM serves as the general partner of the Funds. MCM currently utilizes the qualified custodians listed below for the cash and securities comprising the assets of the corresponding Funds.

LTE Funds

- First Republic Bank located at 101 Pine Street, San Francisco, CA 94111;
- Interactive Brokers, LLC located at Two Pickwick Plaza, Greenwich, Connecticut 06830; and
- TD Bank, N.A. located at 1120 Avenue of the Americas, New York, New York 10036.

MCM Sebela Funds

- Butterfield Bank (Cayman) Limited located at Butterfield Place, 12 Albert Panton Street, P.O. Box 705, Grand Cayman KY1-1107 Cayman Islands.

To ensure compliance with the Custody Rule, MCM will ensure that the Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”). The audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to each Investor within 120 days of each Fund’s fiscal year end. Investors are encouraged to should carefully review such audited financial statements.

Investors in the Funds receive periodic statements from MCM or the Administrator of the respective Fund. These statements should be carefully reviewed. Investors are urged to compare such statements to the information provided in the audited financial statements provided by the Funds’ auditor.

ITEM 16 – INVESTMENT DISCRETION

MCM has discretionary authority to manage the Funds and is authorized to make purchase and sale decisions for the Funds. As explained in Item 4.C above, Investors in the Funds do not have the ability to impose limitations on MCM’s discretionary authority. Prospective Investors in the Funds are provided with an Offering Documents prior to their investment and are encouraged to carefully review the investment strategy set forth in the Offering Documents, along with all other relevant documents and information, and to ensure that the proposed investment is consistent with prospective Investor’s investment goals and tolerance for risk. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, prospective Investors in the Funds are subject to the applicable Offering Documents, which include a power of attorney.

ITEM 17 – VOTING CLIENT SECURITIES

MCM understands and appreciates the importance of proxy voting and we have adopted proxy voting and procedures that are designed to ensure that when MCM (or the General Partner) votes proxies with respect to securities held on behalf of our Advisory Clients, such proxies are voted in the Advisory Clients' best interests, in the judgment of MCM to the extent reasonably practicable. The procedures also require that MCM identify and address conflicts of interest between MCM, its related persons and its Advisory Clients. If a material conflict of interest is identified, MCM will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of our Advisory Clients or whether taking some other action may be more appropriate.

LTE Funds & MCM Sebela Funds

MCM accepts the authority and has discretionary authority to vote proxies for the LTE Funds and the MCM Sebela Funds with respect to the liquid and private companies held in the Funds. As such, MCM has adopted proxy voting policies and procedures that address how MCM votes proxies, based on the principle that MCM and its employees have a fiduciary duty to its Advisory Clients (e.g., the Funds) and Investors. Prior to voting any proxies, the Chief Compliance Officer determines if there are any material conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will make a determination (which may include consultation with outside legal counsel) as to whether or not the conflict is material. If no material conflicts have been identified, the proxies will be voted in a manner consistent with the long-term economic interest of the Advisory Client and in accordance with proxy voting instructions provided by the Chief Investment Officer.

Advisory Clients and Investors in the Funds generally do not have the ability to direct proxy votes. MCM delivers proxies in accordance with instructions related to such proxy. MCM keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each Advisory Client request for proxy voting records and MCM's response for the previous five years. Advisory Client and Investors may obtain (i) a copy of MCM's proxy voting policies and procedures and (ii) information on how MCM has voted proxies with respect to the Funds' securities by contacting MCM's Chief Compliance Officer, Mr. David Zornitsky at (212) 300-6006 or by email at david@melkonian.com.

ITEM 18 – FINANCIAL INFORMATION

MCM believes that there is no financial condition that is reasonably likely to impair the Investment Adviser's ability to meet the contractual commitments to our Advisory Clients.