

Item 1 – Cover Page

Form ADV Part 2A

CID CAPITAL II, INC.

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This Firm Brochure (“Brochure”) provides information about the qualifications and business practices of CID Capital II, Inc. (“CID Capital”). If you have any questions about the contents of this Brochure, please contact us at (317) 818-5030 or Debbie@cidcap.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.

CID Capital is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about the adviser, which is to be used in determining to hire or retain the adviser.

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

Item 2 – Material Changes

There have been no material changes to this Brochure since CID's last annual amendment on March 20, 2018. However, this Brochure contains changes from the prior Brochure and you are urged to read it in its entirety.

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Item 4 – Advisory Business

Firm Description

CID Capital II, Inc., an Indiana corporation (“CID Capital,” the “Firm”, “the Adviser” or the “Investment Manager”), is a private equity firm that invests in or directly acquires lower middle market companies with operations in the United States. CID Capital’s investment strategy is focused on a niche of high quality, profitable lower middle market companies, which generally consists of firms having \$3.0 to \$10.0 million of EBITDA, that have growth potential and that can be acquired at attractive prices because the sellers have multiple goals in the sale process and prefer to sell their business outside the customary broad private equity auction process.

CID Capital was founded in 2006. CID Capital currently manages two funds: (i) CID Capital Opportunity Fund I, L.P. (“Fund I”) and (ii) CID Capital Opportunity Fund II, L.P. (“Fund II” and together with Fund I, the “Funds”).

CID Capital generally invests in non-public companies through negotiated transactions, primarily in change-of-control investments. CID Capital may also invest additional capital in existing portfolio companies to complete acquisitions or fund growth or expansion, and from time to time it may make minority investments. CID Capital’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments, and ultimately selling such investments.

Investment advice is provided directly to the Funds, and not individually to the investors in the Funds. CID Capital Opportunity Partners, LLC is the general partner of Fund I and CID Capital Opportunity Partners II, LLC is the general partner of Fund II. The general partners are umbrella registrant’s under CID Capital’s SEC registration.

As of December 31, 2018, CID Capital had regulatory assets under management of approximately \$216,125,506, all of which is managed on a discretionary basis.

Principal Owners/Ownership Structure

CID Capital’s principal owner is managing director: John Aplin. For more information about CID Capital’s owners and executive officers, see CID Capital’s Form ADV Part 1A, Schedule A.

Item 5 – Fees and Compensation

CID Capital receives management fees from the Funds. Management fees payable to CID Capital or a fund’s general partner are calculated and paid pursuant to the Funds’ limited partnership agreements and are disclosed in detail in the respective offering documents. In general, however,

management fees are initially an amount equal to 2.0% of aggregate limited partners' committed capital, payable quarterly in advance. After the end of a fund's investment period, the annual management fees are based on the aggregate purchase price of unrealized investments in such fund's portfolio. No management fees are charged after a fund's tenth year of operation even if it continues in existence. The specific fees charged by CID Capital are described in the relevant private placement memorandum and in each limited partner's written agreement with CID Capital. CID Capital does not accelerate monitoring fees, if any.

From time to time, CID Capital and its affiliates may perform management, advisory, financial advisory and other services for actual or prospective portfolio companies, and receive fees or other compensation from such companies. All such compensation received by CID Capital will be used to reduce management fees payable by the Funds (50% for Fund I and 100% for Fund II). Expense reimbursements by a portfolio company will not be offset against management fees.

Each of Fund I and Fund II bear their respective organizational, legal, accounting, due diligence, tax, custodial and similar costs, including transactional costs, as well as certain out-of-pocket CID Capital expenses. All expenses born by the Funds is further explained in such Funds' respective offering and organizational documents and subject to any limits agreed to by CID Capital.

Additionally, please see Item 6 below regarding "carried interest."

The fee structures described above may be modified from time to time; however, once the relevant Fund has been established and commenced operations, such compensation and expenses are generally not negotiable. Fees may differ from between the Funds, as well as among investors in the same Fund. Each Fund's General Partner may, in its sole discretion, waive or reduce a limited partners' management fee, such as for employees, affiliates of the Adviser, and family members of employees and affiliates.

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

The general partner to each of the Funds is entitled to receive a performance-based allocation, which is referred to as carried interest. The terms of the carried interest allocation are further explained in each of the Funds' respective limited partnership agreements, but it is generally intended to be 20% of the Funds' respective capital gains. The Fund II limited partnership agreement provides for a claw-back, which would allow the Fund to recover some of the carried interest paid based on performance.

The terms of the management fees, carried interest allocations and other compensation payable to CID Capital or the Funds' general partners were established by CID Capital at the time of the Funds' respective formation. In certain cases, a general partner may permit a limited partner to negotiate more favorable terms, including a waiver or reduction of the carried interest allocation

applicable to such limited partner, and, in general, limited partners that are CID Capital employees and their family members will receive favorable terms.

Notwithstanding that it has the right to receive carried interest allocations, CID Capital believes that its economic interests are aligned with limited partners in the Funds as each of CID Capital and such limited partners have a goal of maximizing such Funds' returns. This is despite the fact that the carried interest may create an incentive for CID Capital to make investments that are more speculative than would be the case in the absence of the carried interest.

Item 7 – Types of Clients

CID Capital provides portfolio management services to its clients, which are private funds. The Funds limit their respective investors to persons who are both “accredited investors” as defined in the Securities Act of 1933, as amended, and “qualified clients” as defined in the Advisers Act. The minimum contribution for a limited partner in Fund I was \$300,000 and for Fund II was \$1,000,000; however, general partners from time to time permitted smaller contributions. Neither Fund I nor Fund II is currently raising capital. CID Capital is in the process of forming Fund III and expects to raise funds for the first close for that fund, which is anticipated to take place during the second quarter of 2019..

Investors in the Funds include high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, foreign funds and other U.S. institutional investors. In addition, certain CID Capital employees and other persons with a relationship with CID Capital were permitted to invest in the Funds.

CID Capital or an affiliate may, from time to time, serve as investment manager or general partner for co-investment vehicles that may invest in certain portfolio companies. Opportunities to invest in a portfolio company through a co-investment vehicle may be made available to select persons or entities, including certain strategic investors, lenders, deal sources, other private equity or venture capital firms or other persons or entities affiliated or associated with, or otherwise known to, CID Capital. These may arise whenever CID Capital has the opportunity for an investment in an existing or prospective portfolio company and CID Capital determines that all or a portion of the applicable opportunity is not appropriate for a Fund. CID Capital, in its sole and absolute discretion, will select the investors that are permitted to participate in a co-investment vehicle. While one or more limited partners in the Funds may be invited to the co-investment vehicle, CID Capital is under no obligation to invite any of the Funds' limited partners, or it may invite certain limited partners without inviting all.

In CID Capital's sole discretion, some co-investment vehicles or investors therein may bear all or a portion of certain expenses associated with a portfolio company investment, while other co-

investment vehicles or investors therein do not share in such expenses. In certain cases, co-investment opportunities may include opportunities to invest in Fund portfolio companies at a time when there is not a corresponding Fund investment or on different terms than any Fund investment. Some co-investors may also be provided the opportunity to sit, or have a representative sit, on the board of directors of the portfolio company. Positions on boards of directors of such portfolio companies may 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 available to the Funds.

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

Strategy

CID Capital's investment strategy is more fully described in the offering documents of the Funds. However, in general it is focused on a niche of high quality, profitable, privately held lower middle market companies that have excellent growth potential and that can be acquired at attractive prices because the sellers have multiple goals in the sale process and prefer to sell their business outside the customary broad private equity auction process. CID Capital's ideal acquisition target typically is a strong cash generator, has little or no debt, has an excellent quality reputation in its market, has developed a strong management team, and for a variety of personal or organizational reasons is undergoing an ownership change or is experiencing transitional pressures.

CID Capital's investment thesis is based on the reality that there is a niche in the broad private equity market that remains largely ignored or difficult to reach by larger private equity firms and strategic buyers. The niche that CID Capital targets, namely transactions of companies with \$3.0 to \$10.0 million of EBITDA, tends to be less competitive, the seller's representatives tend not to use highly structured auction processes, and sellers are motivated by factors other than obtaining the highest sale price. CID Capital goal is to capitalize on these market dynamics. CID Capital believes that its investment team captures the potential opportunities inherent in this niche by responding more directly and effectively to the financial and personal goals of these business owners selling their companies, while demonstrating an operating style more compatible with and acceptable to the sellers.

Risk Factors

No investment is free of risk. CID Capital's investments involve risk of loss, including the possibility of a complete loss of the amount invested, and investors in the Funds should be prepared to bear these risks. Although the risk factors listed below are generally applicable to the Funds, investors should also refer to each Fund's private placement memorandum for specific risk factors.

- *Competition for Investments.* CID Capital has encountered and expects to continue to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, private equity and hedge funds, business development companies, banks, commercial lenders, strategic industry acquirers and other financial investors investing directly or through affiliates, many of which have access to greater amounts of capital than does CID Capital. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to CID Capital and adversely affecting the terms upon which investments can be made. There can be no assurance that CID Capital will be able to identify or obtain investment opportunities satisfying its investment criteria, or that CID Capital will be able to invest its capital on attractive terms, or that investment opportunities will achieve CID Capital's rate of return objectives.
- *Long-Term Investment.* CID Capital's investment program involves a long-term commitment, and there is no assurance of any return on investment prior to or upon liquidation of the Funds. Investors should be prepared to hold their limited partnership interests for the life of the Funds.
- *Illiquidity of Limited Partnership Interests.* Limited partnership interests of the Funds are highly illiquid, have no public market and are not transferable except with the prior written consent of a Fund's general partner. Voluntary withdrawals of limited partnership interests are not permitted except in a limited number of instances when necessary to comply with specific laws or regulations applicable to a specific limited partner.
- *Lack of Liquidity of Portfolio Investments.* The Funds' investment portfolios consist of investments in private companies. There may be no readily available market for liquidating the Funds' investments and most of the investments will be difficult to value. The securities in which the Funds invest may be among the most junior in a portfolio company's structure, and thus subject to the greatest risk of loss.
- *Dependence on Management.* The success of the Funds is dependent upon the activities of CID Capital's management team. The failure of a general partner or CID Capital to identify, attract and retain additional qualified members of the management team as needed or the loss of one or more of the current management team retained could have a significant adverse impact on the operations of the Funds.
- *Risk of Limited Number of Investments.* The Funds may participate in a limited number of investments and, as a consequence, the aggregate return of the Funds may be materially adversely affected by the unfavorable performance of any single investment.

Cybersecurity Risk. The Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their portfolio companies, despite the efforts of service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their portfolio companies. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the Funds, their portfolio companies, their service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information to gain access to the confidential data. A successful penetration or circumvention of the security of such systems could result in the loss or theft of data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds or their portfolio companies to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Item 9 – Disciplinary Information

CID Capital is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner’s evaluation of CID Capital or the integrity of CID Capital’s management. No such disciplinary events have occurred at CID Capital.

Item 10 – Other Financial Industry Activities and Affiliations

CID Capital is not actively engaged in a business other than giving investment advice to its clients, the Funds (which are pooled investment), and managing the portfolio companies owned by its Funds. Neither CID Capital nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser, or associated person of the foregoing, and CID Capital does not anticipate such affiliations in the future.

CID Capital has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory services, the Funds or investors in the Funds.

As mentioned in Item 4 above, the entities that serve as general partners of the Funds are affiliated entities of CID Capital and that are registered with the SEC under the Advisers Act as umbrella registrants to CID Capital's registration. The controlling members of CID Capital are the controlling members of such general partners.

CID Capital 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 and other personal services. Some of these professionals may provide services to the Funds or their portfolio companies. CID does not recommend or select other investment advisers for the Funds.

From time to time, CID Capital receives training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals.

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

Code of Ethics

As fiduciaries, CID Capital and its employees have certain legal obligations to put clients' interest ahead of their own. CID Capital has adopted a written code of ethics based on principles of openness, honesty, integrity and trust. At least once a year, each CID Capital employee is required to acknowledge receipt of this code in writing and agree to be bound by it. In rare cases, CID Capital's business may provide CID Capital and its employees with access to material nonpublic ("insider") information. The code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated. Violations of the code of ethics may result in remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal.

CID Capital will provide a copy of its code of ethics to any existing or prospective limited partner upon request to its Chief Compliance Officer, Deborah Morgan, at (317) 818-5030.

Participation in Client Transactions

It is CID Capital's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts without first obtaining the relevant advisory board and/or limited partner approval.

Certain employees, principals and other affiliates of CID Capital may invest in and alongside each

Fund, either through a general partner or as direct investors in a Fund or otherwise. Each Fund or its general partner, as applicable, may exempt such CID Capital affiliates from all or a portion of the management fee or carried interest allocation.

Conflicts of Interest

The offering documents for the Funds detail complete descriptions of what CID Capital believes to be the most significant conflicts of interest associated with investing in the Fund. Some of these conflicts are summarized below and in Item 8 above; however, this summary does not attempt to describe all of the conflicts of interest associated with investing in the Funds. Investors should carefully consider the conflicts of interest herein as well as those outlined in the offering documents prior to investing in the Funds.

In the event that CID Capital or its affiliates encounter what is determined to be an actual conflict of interest in connection with managing the Funds, CID Capital may take such actions as may be necessary or appropriate, within the context of such Funds' limited partnership agreements, to ameliorate the conflict. These actions may include disposing of the asset giving rise to the conflict or bringing the matter before CID Capital's limited partner advisory committee. There can be no assurance that all conflicts of interest will be successfully resolved.

Certain CID Capital principals and employees are also investors in the Funds. However, because of the nature of its business, the participation of CID Capital employees in the Funds will not interfere with the making or implementing of decisions that are in the best interest of limited partners. Employee limited partners share in the same investments as other limited partners of the Funds, share costs with other limited partners proportionally and receive distributions at a total average price. The significant investment of CID Capital principals in each of its Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, CID Capital's interest with the interest of its Funds' limited partners, although CID Capital has economic interests in all of its Funds and investments and receives management fees and its General Partner receives carried interest fees with respect to each of its Funds.

In addition, CID Capital employees may serve on the boards of Fund portfolio companies. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of a Fund. In general, however, as the Fund will typically be significant shareholders of such companies, it is expected that such interest will generally be aligned. In addition, portfolio companies may, from time to time, make discounts and other benefits available to employees in connection with products or services offered by such companies.

Each of Fund I and Fund II has an advisory board that is established under the respective fund's

offering and governing documents. Each such advisory board is comprised of select limited partners, as well as CID principals and outside advisers. A conflict of interest may exist in that not all limited partners are asked to join a fund's advisory board.

CID Capital offered interests in Fund I and Fund II and may organize subsequent funds with structures, investment strategies and objectives substantially similar to the Funds. It will not, however, hold a closing with respect to any such fund until the earlier of the end of Fund II's investment period or such time as at least 75% of the committed capital of Fund II raised is invested, reserved for expenses or committed for investment. CID Capital will pursue all appropriate investment opportunities exclusively through the funds, subject to certain limited exceptions as mentioned in Item 7, above. CID Capital and its investment staff will continue to manage and monitor such Funds and investments and attempt to solve such conflicts of interests in light of CID Capital's obligations to investors in the Funds and attempt to allocate investment opportunities in a fair and equitable manner.

As described in Item 5 above, CID Capital and its affiliates may perform additional services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds ("Additional Fees"). Such Additional Fees will be in addition to any management fees or carried interest paid by the Funds to the Firm. Additionally, a portfolio company may reimburse CID Capital for expenses (including without limitation travel expenses) incurred by CID Capital in connection with its performance of services for such portfolio company. CID Capital determines the amount of these Additional Fees and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Funds. CID Capital will reduce the amount of management fees paid by Fund I or Fund II upon receipt of Additional Fees from a portfolio up to 50% for Fund I and 100% for Fund II.

Subject to any relevant restrictions or other limitations contained in the Funds' organizational documents, CID Capital will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant. In exercising such discretion, CID Capital may be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple clients will be allocated among such advisory clients. The allocations of such expenses may not be proportional. The Funds have different expense reimbursement terms, including with respect to management fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment. All favorable legal fee rates or discounts received by CID Capital are also provided to the Funds.

CID Capital may enter into transactions with certain investors in the Funds such as, for example,

investors who are also business partners of CID Capital, such as insurance agents, investment banks, broker-dealers, attorney or others who provide services (inducing mezzanine and/or other lending arrangements) to CID Capital, its funds and portfolio companies. The terms of these transactions are negotiated on an arm's-length basis; however, CID Capital is subject to a conflict of interest when determining such terms because CID Capital may benefit from retaining such investors' investment in the funds.

There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the CID Capital will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. CID Capital has established a valuation policy that it will follow when performing portfolio company valuations. CID Capital does not intend to retain the services of a third party valuation consultant to assist in performing portfolio company valuations; however all valuations are subject to an annual audit review as part of the funds' annual financial statement audits. There is a risk in that the valuations by CID Capital are not reviewed by an independent third party. The exercise of discretion in valuation by CID Capital may 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.

Some persons that are CID Capital employees or are otherwise affiliated with CID Capital and other persons may have the right to co-invest in portfolio company deals directly with a portfolio company. As a result, such persons would have the opportunity to invest in a portfolio company without paying a management fee to CID Capital, or have a portion of gains allocated to CID Capital. Most investors in the funds will not be provided with such an opportunity.

Certain investors in the funds have side letters or other similar agreements that have the effect of establishing rights under, or altering or supplementing the terms of, the fund's organizational documents, including providing different or preferential rights or terms, such as different fee structures, information rights, co-investment rights and liquidity or transfer rights.

Personal Trading

In rare cases, CID Capital's business may provide CID Capital and its employees with access to material nonpublic ("insider") information. The code of ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

CID Capital's employees are prohibited from trading, either personally or on behalf of others, in

securities while in possession of material non-public information regarding these securities or communicating material non-public information to others. A restricted list is maintained regarding issuers about which the firm has material non-public information. Pre-clearance is also required for certain personal securities transactions, including initial public offerings and certain limited offerings.

In addition, employees are required to submit annual reports of security holdings and quarterly securities transaction reports for their own accounts or any account in which they have a direct or indirect beneficial interest.

Item 12 – Brokerage Practices

CID Capital is a private equity firm and generally does not purchase or sell public securities through broker- dealers. The Firm focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions. CID Capital may also distribute securities to fund limited partners or sell such securities, including through using a broker- dealer, if a public trading market exists.

CID Capital may periodically engage broker-dealers to perform various services for its clients and/or its portfolio companies, such as assisting in the purchase or sale of a privately held portfolio company. Broker-dealers are chosen based upon their knowledge and expertise as well as upon cost, reputation and services provided. In selecting a broker or dealer to execute client transactions, CID Capital may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) gross compensation paid to the broker.

CID Capital has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although CID Capital generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

CID Capital currently does not participate in soft dollar arrangements, pay or receive fees for limited partner referrals, direct brokerage or advise limited partners on doing so, or aggregate trades.

Item 13 – Review of Accounts

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Firm’s review of them is not directed toward a short-term decision to dispose of securities. However, CID Capital closely monitors the portfolio companies of the Funds and maintains an ongoing oversight position in such portfolio companies. A team of investment professionals reviews the portfolios on an ongoing basis. The team generally includes principals and other investment professionals of the Firm.

CID Capital reviews the accounts of each of the Funds on a quarterly basis and periodically checks to confirm that each Fund is maintained in accordance with its stated business objectives. CID Capital also reviews the Funds’ accounts whenever a determination is made as to a distribution.

Item 14 – Client Referrals and Other Compensation

CID Capital does not receive any economic benefit from any person that is not a client for providing advisory and management services to the Funds.

CID Capital may receive fees from, or related to, a portfolio company or prospective portfolio company. Such fees may include commitment, structuring, monitoring and/or other transaction fees. Any such fees received by CID Capital are rebated 50% against the relevant Fund management fees for Fund I and 100% for Fund II, as discussed in Item 5 above. These types of arrangements provide the Firm with an incentive to recommend investments based on compensation received rather than the best interests of a Fund. To help mitigate this potential conflict, such benefits received by CID Capital or its employees in connection with services rendered to portfolio companies or transactions of a Fund are generally offset in whole or substantial part against (and therefore reduce) advisory fees payable by the relevant Fund, to the extent provided in and subject to certain exceptions described in each Fund’s governing documents.

CID Capital has a relationship with a third-party marketing firm, Alternative Investment Source, Inc., to assist in fundraising efforts for its funds. Alternative Investment Source, Inc. is generally paid by CID Capital and not the funds or its limited partners, although related expenses incurred pursuant to CID Capital’s agreement with Alternative Investment Source, Inc., including travel, meals and entertainment expenses, typically are borne by the relevant Fund(s).

Item 15 – Custody

Advisers Act Rule 206(4) (the “Custody Rule”) generally requires that pooled investment vehicles advised by an investment adviser either undergo an annual GAAP financial statement audit or be

subject to a surprise custody examination by a PCAOB registered auditing firm. CID Capital has custody over the Funds' assets. To comply with the Custody Rule, the Firm has elected to undergo an annual GAAP financial statement audit for its Fund vehicles. The Funds are audited annually by RSM US LLP. CID Capital delivers to the limited partners in the Funds a copy of the annual audited financial statements within 120 days of the fiscal year end.

Called capital is directly sent or wired into the Funds' custodial accounts at BMO Harris Bank or limited partners make out their checks to the name of the fund and send the check in to CID Capital. BMO Harris serves as custodian for each fund. CID Capital receives monthly qualified custodial statements from BMO Harris on behalf of its funds.

Item 16 – Investment Discretion

CID Capital and the general partners of the Funds have discretionary authority based on management agreements with each of Fund I and Fund II and the limited partnerships agreements that govern each of Fund I and Fund II to buy and sell securities or other investments on behalf of such Funds and to determine the amount of such investments to be bought and sold. These agreements potentially restrict CID Capital's advice concerning investments in certain securities or types of securities, diversification, geographies and leverage. CID Capital's authority to trade securities may also be limited by certain federal securities, tax laws, and any side letters that require diversification of investments and favor the holding of investments once made.

An investor in a fund may impose limitations on a fund's investment authority through a side letter agreement (as discussed in Item 11 above). All limitations and restrictions placed upon a limited partner's account must be in writing and agreed to by all parties.

Item 17 – Voting Client Securities

The limited partnership agreements that govern each of Fund I and Fund II provide CID Capital or such general partner the authority to vote proxies on behalf of such funds. The majority of things for which a fund's vote will be required are shareholder consents or similar instruments for private companies. As such, CID Capital has adopted proxy voting policies and procedures pursuant to SEC Rule 206(4)-6. CID Capital's proxy policy seeks to ensure that it vote proxies in the best interest of its clients, including where there may be material conflicts of interest. CID Capital generally believe its interests are aligned with those of the funds' limited partners. In the event that there is or may be a conflict of interest in voting proxies, CID Capital's proxy policy provides that the Firm may address the conflict using several alternatives, including by seeking the approval or concurrence of an Advisory Committee on the proposed proxy vote, or through other alternatives set forth in CID Capital's proxy policy. Fund investors cannot direct how CID Capital votes proxies nor is CID Capital required to seek investor approval or direction when voting proxies. CID Capital will provide a copy of its proxy voting policy as well as how proxies were voted to

any existing or prospective limited partner upon request to its Chief Compliance Officer, Deborah Morgan, at (317) 818-5030.

Item 18 – Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. CID Capital does not require prepayment of more than \$1,200 in fees per client, six months or more in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to limited partners and has not been the subject of a bankruptcy proceeding.