



MEDINA CAPITAL

Medina Capital Advisors, LLC
2333 Ponce De Leon Blvd, Suite 900
Coral Gables, FL 33134

(305) 375-6000

<http://medinacapital.com/>

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This Form ADV Part 2A (the “**Brochure**”) provides information about the qualifications and business practices of Medina Capital Advisors, LLC (“**MCA**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact us at (305) 375-6000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Additional information about MCA is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration of an investment adviser does not imply that MCA or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

In this Item, we are required to summarize material changes that were made since the previously issued Brochure. Since our last Brochure filed in March 2019, we have not made any material changes to the Brochure.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this Brochure.

Currently our Brochure may be requested by contacting us by phone at (305) 375-6000.

Additional information about MCA is also available via the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with MCA who are registered, or required to be registered, as Investment Advisor Representatives ("IARs") of MCA.

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Item 4: Advisory Business

Medina Capital Advisors, LLC (“**MCA**” or the “**Firm**”) is a private equity investment adviser based in Coral Gables, FL. MCA commenced operations in 2013. Terms such as “we” or “us” or other similar terms used herein refer to the Firm.

The Firm is an investment adviser that provides investment management services to Medina Capital Fund, LP, a private pooled investment vehicle (“**MCF**”), and Medina Capital Fund II, LLC, a private pooled investment vehicle (“**MCF II**” and, together with MCF, the “**Funds**”).

MCA may in the future provide investment management services to separately managed accounts or other investment vehicles (together with the Funds, the “**Clients**”).

The Firm’s principal strategy is to make control-oriented, private equity investments in the information technology (“IT”), infrastructure, big data, and cybersecurity markets. MCA is led by its managing partner and principal owner, Manuel D. Medina, and former members of the Terremark Worldwide, Inc. (“**Terremark**”) executive management team.

As investment manager to MCF, MCA identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for MCF. MCF has agreed to terminate its investment period as of May 1, 2017. As investment manager to MCF II, MCA invested in SIS Holdings LP (via Medina Capital Fund II – SIS Holdco LP) (“**SIS**”), a new entity formed by MCF II and an affiliate of another independent private equity firm to acquire the data center business of CenturyLink, Inc. and acquire and integrate with such data center business four of MCF’s portfolio companies that were engaged in the cybersecurity and data analytics businesses.

Since they are the Firm’s only current clients, the Firm’s services are tailored to MCF’s and MCF II’s needs and investment strategies. The organizational documents of MCF and MCF II impose investment restrictions on MCF’s and MCF II’s portfolio to which the Firm adheres.

As of December 31, 2019, MCA had \$210,163,823 of assets under management, all of which were managed on a discretionary basis.

Item 5: Fees and Compensation

As compensation for its investment management services, MCA receives “Management Fees” and an affiliated entity of MCA receives “Distributions” (as defined below). Investors should refer to MCF’s Limited Partnership Agreement (“**LPA**”) for additional information regarding the fees paid by MCF. Investors should also review the subscription agreements, operating agreement, and private placement memorandum for further details regarding fees for management services for MCF II.

Management Fees

In accordance with MCF’s LPA, the Firm is entitled to receive a management fee (the “**Management Fee**”) equal to a percentage of investor capital committed through the fifth anniversary of the final closing of MCF (the “**Commitment Period**”) and a percentage of MCF’s aggregate capital contributions with respect to all unrealized investments after the Commitment Period. The Management Fee is 2.00% per annum. As of May 1, 2017, MCA waived and MCF no longer pays the Management Fee to MCA.

For all periods through May 1, 2017, Management Fees for MCF were paid quarterly and in advance. The payment of the Management Fees for any period other than a full three-month period were adjusted (and to the extent necessary, refunded) by the Firm on a pro rata basis according to the actual number of days in the period covered by such payment.

Generally, MCF II will not pay to MCA an annual management fee. MCA or an affiliate thereof is anticipated to share, on a pro-rata basis with another independent private equity firm (based upon MCF II's equity investment in SIS) a structuring fee equal to one percent (1%) of the total consideration paid towards the Investments as well as any break-up fees in connection with the Investments. MCA's pro rata portion of such structuring fee is anticipated to be approximately 20% (or 0.2% of the total consideration paid towards the Investments and any break-up fees which may be payable by the seller of the data centers in connection with the Investments).

Distributions

Medina Capital Fund GP, LLC serves as the general partner to MCF (the "**General Partner**") and may receive incentive distributions from MCF (the "**Distributions**") based on the net cash proceeds distributed to investors by MCF. These Distributions will be equal to approximately 20% of the total distributions made by MCF, after a preferred return to MCF's limited partners.

In our discretion, we may waive or reduce the Management Fees or Distributions of any investor in MCF.

Distributions of net cash proceeds from the Investments, together with distributions in kind of securities, any dividends, distributions or interest income received with respect to any Investment and any other income received in respect of portfolio investments and other short-term investment income ("**Investment Proceeds**") generally will be preliminarily apportioned among the Members participating in the investment in proportion to their respective participation in funding such investment. Please see MCF II's private placement memorandum for more details on distributions.

Expenses

Each of MCF and MCF II generally bears all legal and other expenses incurred in its formation and the offering of interests (the "**Organizational Expenses**") up to an amount not to exceed the threshold established in MCF's LPA or MCF II's operating agreement, subscription agreement, and private placement memorandums.

Each of MCF and MCF II generally pays all costs related to its operation (the "**Operational Expenses**"), including Management Fees (if any), any taxes imposed on the fund, commitment fees payable in connection with credit facilities, accounting fees, third-party fees and expenses, attorneys' fees (including in-house counsel), due diligence and other costs related to the acquisition or disposition of assets. For a more detailed description of Operational Expenses, investors should review MCF and MCF II's operating agreement, subscription agreement, limited partnership agreement, and private placement memorandums. Each of MCF and MCF II, as applicable, generally bears all third-party expenses incurred in connection with transactions that are not consummated.

MCA will bear the costs and expenses associated with its normal operating overhead activities (the "**Management Expenses**") including, but not limited to, compensation of its employees

and the cost of providing relevant support and general services (e.g., office rental, secretarial, clerical and bookkeeping expenses).

Other Fees

For MCF II, except for the fees described above and in this paragraph, neither the Investment Advisor nor any of its affiliates receives monitoring fees, advisory fees, directors' fees, financing fees, transaction fees, break-up fees or similar fees from any portfolio company; provided that affiliates of the Manager who are directly employed by and/or serve as members of the Board of Directors of SIS and/or its subsidiaries receive reasonable compensation (on market terms) from SIS and/or its subsidiaries in connection with their service. In addition, those affiliates of the Manager who serve on SIS's senior management team participate in a management equity compensation plan. MCA also shares pro rata in quarterly advisory fees paid by Cyxtera Technologies, Inc. (a subsidiary of SIS and the parent company for the acquired data center and cybersecurity businesses acquired by SIS) to SIS's principal private equity sponsors.

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

As described above, the General Partner, our affiliate, receives performance-based compensation in the form of Distributions from MCF and MCF II. For a discussion of these Distributions and performance-based compensation received from MCF and MCF II, please refer to the fund's operating agreements, subscription agreement, limited partnership agreement, and offering documents.

Performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement and/or provide an incentive for us to favor clients (like MCF) with such arrangements over clients without a performance fee arrangement, if any. Any potential conflict in this area will be monitored by the CCO.

Performance-based compensation will only be charged to the extent permitted by the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and the rules thereunder.

Item 7: Types of Clients

MCA's Clients are MCF and MCF II. Investors in MCF and MCF II consist primarily of institutional investors, including endowments and pension funds, financial institutions, other investment funds, and high net worth investors. We require MCF and MCF II investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

In general, the minimum investment we require in MCF is \$2,500,000 and minimum commitment for MCF II is \$5,000,000; however lesser amounts may be accepted in our sole discretion.

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

Methods of Analysis and Investment Strategies

MCA's principal strategy is to make control-oriented, high-growth equity investments in the IT, infrastructure, big data, and cybersecurity sectors.

The development of new technologies has created a paradigm shift from hardware based “Industrial IT” to cloud and software based “Agile IT,” which has been driven by the adoption of virtualization, cloud computing, and cybersecurity. The adoption of these disruptive technologies has spurred even more innovation due to the increasing demand to analyze, store, distribute, and protect enormous amounts of data, in a scalable and cost efficient manner. The ongoing transition from costly hardware based IT infrastructure to the delivery of cost-beneficial software based IT infrastructure is where the Firm is intensely focused, drawing from its management team’s many years of experience in the industry.

MCA’s private equity strategy typically targets companies that: (i) have an established product and/or service; (ii) have a disruptive technology; and (iii) would benefit from the Firm’s management team’s collective experience in building, growing, and successfully exiting companies in the IT infrastructure sector. The MCA team has extensive experience from its history at Terremark in developing product lines, expanding sales networks, especially in the enterprise and government sectors, and standardizing legal and reporting practices. The Firm will leverage these strengths to attempt to drive value in MCF and MCF II’s portfolio companies.

In addition, the Firm’s management team’s reputation and experience has resulted in a large network of established relationships with thought-leaders, technologists, and senior executives in the IT infrastructure sector, as well as strong partnerships with leading customers across both enterprise and government sectors.

MCA will principally target companies in the United States. The Firm will also draw on the management team’s experience in Latin American and European markets and will invest selectively in companies based in those geographies with the aim of bringing established companies to the U.S. market.

MCA’s investment history is in line with the sectors that MCF and MCF II will target. These sectors, as illustrated below, are good examples of how enterprise and government customers will consume the changes in technology and adapt to newer business models that rely less on Industrial IT platforms and more on Agile IT cloud based services. A few of the key areas within this landscape where MCA management has developed expertise include:

- Virtualization and Cloud Computing
- Cybersecurity
- Software Defined Security
- Big Data

Risk of Loss Factors

Investing in securities generally, involves significant risks that clients and investors should be prepared to bear. This includes securities that are or may be a part of MCA’s strategy. The following summary does not purport to include every risk; rather it focuses upon those risks that are generally associated with our investment strategy and philosophy. An investment in MCF or MCF II is speculative and involves a high degree of risk, including the risk that the entire amount invested may be lost. For a more detailed discussion of the risks associated with our investment strategy, investors should review the discussion of risks provided in the LPA in MCF II’s subscription documents, operating documents, and in their respective private placement memorandums (as amended, restated and/or supplemented).

Risks Associated With IT Infrastructure and Cybersecurity Sectors

Both MCF and MCF II are closed to investors. However, MCA did target investments in high-growth information technology infrastructure and cybersecurity companies. Generally, companies within this industry are subject to a number of risks (including, without limitation, changing regulations, governmental oversight and high levels of competition), uncertainties, assumptions and other factors, some of which will be beyond the control of such company. The risks are difficult to predict and could cause actual results of MCF's or MCF II's investment in such a portfolio company to differ materially from MCF and MCF II's expectations at the time of investment.

No Assurance of Projected Results

MCA will generally determine the appropriate capital structure for each entity in which MCF and MCF II invests based upon financial projections for that company. Projected operating results will normally be based primarily on management's judgment. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projection. General economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

Portfolio Investment Risk

MCF invested in a limited number of portfolio companies. Hence, the aggregate return of MCF may be affected by the performance of a few holdings. The identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. MCA may have encountered competition in connection with its selection of investments from other investors, some of which have greater financial and other resources. In addition, there was no assurance that the investments made by MCF generated the targeted rate of return on invested capital. In addition, regardless of the timing of MCF's investments and whether or not MCF is ever fully invested, for the duration of the Commitment Period, investors will be required to pay annual Management Fees based upon the entire amount of their commitments.

MCF II is a newly formed entity and does not have any financial or operating history. MCF II's future prospects must be weighed against the risks and difficulties frequently encountered by companies in the early stages of a business enterprise. Neither MCA nor MCF II can provide any assurances that MCF II will be successful in addressing these risks or achieving its objectives.

There can be no assurance that MCF or MCF II will achieve similar results to any of the results presented for any of the MCA team's prior investments (including those at Terremark), whether on an aggregated portfolio basis or an individual investment-by-investment basis. The performance of past investments (whether or not of the type and scope of MCF's or MCF II's) cannot be relied upon to predict MCF's or MCF II's success. There can be no assurance that MCF or MCF II will achieve its investment objective. Investors cannot be assured that historic performance of MCA Team, MCF, or Terremark, will be repeated with MCF II or future investment strategies.

For more detailed risk associated with MCF and MCF II, please see private placement memorandum, offering documents, or similar documents.

Risk of Private Company Investments

Each of MCF's and MCF II's investment portfolios consist solely of investments in privately held entities, and therefore results in a specified period will be difficult to predict. While private company investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early or middle-stage of development, companies operating at a loss or with substantial variations in operating results from period to period and 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 entities with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel.

Illiquidity of Investments; Long Term Investment

An investment in MCF or MCF II should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. Neither MCF nor MCF II is intended to be a short-term investment. MCF has already exited all but one of its investments. Even if the investment strategy of MCF or MCF II proves successful, it is unlikely to produce a realized return to investors (with respect to MCF, for its sole remaining investment) for a number of years.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for MCF and MCF II's investments, and hence, most of MCF's and MCF II's investments will be difficult to value. Disposition of such investments may require a lengthy time period or may result in distributions in kind to investors.

Leverage

MCF and MCF II have and may continue to use leverage, including by incurring debt directly or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both MCF and MCF II's opportunities for gain and its risk of loss from a particular investment. The use of leverage will also result in interest expense and other costs to MCF and MCF II or a portfolio company that may not be covered by distributions made to MCF and MCF, II or by appreciation of its investments in a portfolio company. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of MCF or MCF II's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates, and could accelerate and magnify declines in the value of MCF or MCF II's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, MCF or MCF II may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of MCF or MCF II. Furthermore, while a subsidiary of SIS has been rated by a credit rating agency, the companies in which MCF or MCF II will invest generally will not be rated by a credit rating agency.

The failure by MCF and MCF II or a portfolio company to obtain indebtedness on favorable terms (or at all) could adversely affect the returns of MCF or MCF II.

Risks upon Disposition of Investments

In connection with the disposition of an investment, MCF or MCF II (as applicable) may be required to make representations about the investment typical of those made in connection with the sale of any investment. MCF and MCF II may also be required to compensate the purchasers of such investment to the extent that any such representations turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by MCF, MCF II, or their respective partners.

Risk of Bridge Financing

If MCF or MCF II makes an investment with the intent of subsequently financing a portion of that investment, there is a risk that MCF or MCF II will be unable to successfully complete such a financing. This could lead to MCF or MCF II having a larger amount of capital invested in an investment than anticipated as well as reduced diversification.

Investment in Troubled Assets

MCF or MCF II may make investments in non-performing, undercapitalized or other troubled assets, which may involve a high degree of financial risk. For instance, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to MCF or MCF II and distributions by MCF or MCF II to its partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Litigation Risks

MCF and MCF II may be subject to a variety of litigation risks, particularly as a consequence of the likelihood that one or more portfolio companies will face financial or other difficulties during the term of MCF or MCF II's investment. For example, representatives of MCF and MCF II do, and are expected to continue to, actively assist their respective portfolio companies in differing capacities (including, without limitation, by serving as officers, directors and advisors). MCF or MCF II may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing. In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of MCF, MCF II and/or MCA), it is possible that MCF, MCF II, MCA, and their respective representatives may be named as defendants. Under most circumstances, MCF or MCF II (as applicable) will indemnify MCA and their respective affiliates and employees for any costs they may incur in connection with such disputes.

Non-U.S. Investments

MCF or MCF II may invest in a number of portfolio companies located outside of the United States. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of MCF or MCF II), the application of complex United States and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on MCF,

MCF II, and/or the investors with respect to MCF's income, and possible non-U.S. tax return filing requirements for MCF and/or the investors.

Certain of MCF and MCF II's investments may be made in currencies other than U.S. dollars. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the U.S. dollar. MCA may (but is not obligated to) endeavor to manage currency exposures, using appropriate hedging techniques where available and appropriate. MCF or MCF II may incur costs related to currency hedging arrangements. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis.

Changes in Business Environment

MCF and MCF II's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which MCF and MCF II operate may undergo substantial changes, some of which may be adverse to MCF and/or MCF II. Furthermore, in recent years, significant economic, regulatory, and political changes have had a significant impact on the market as a whole.

The General Partner of MCF and the Manager of MCF II will have the exclusive right and authority (within limitations set forth in their governing document) to determine the manner in which MCF or MCF II, as applicable, shall respond to such changes, and limited partners or investors generally will have no right to withdraw from MCF or MCF II, or to demand specific modifications to MCF's or MCF II's operations in consequence thereof. Prospective investors are particularly cautioned that the investment sourcing, selection, management, and liquidation strategies and procedures exercised by members of the General Partner and/or Manager in the past may not be successful, or even practicable, during MCF or MCF II's term. Within the limitations set forth in MCF's and MCF II's governing agreements, the General Partner or the Manager, as applicable, will have the right and authority to cause MCF or MCF II's investment sourcing, selection, management, and liquidation strategies and procedures to deviate from those described in the operating agreements, limited partnership agreements, private placement memorandum, or subscription agreements.

Ordinary Course Risks Associated With IT Infrastructure Sector

MCA will be targeting investments in high-growth information technology infrastructure portfolio companies. Generally, companies within this industry are subject to a number of risks, uncertainties, assumptions and other factors, some of which will be beyond the control of such company, will be difficult to predict, and could cause actual results of MCF's and MCF II's investment in such a portfolio company to differ materially from MCF's and MCF II's expectations at the time of its investment.

Item 9: Disciplinary Information

Neither MCA nor its affiliates have been subject to any disciplinary action required to be disclosed in this Item, whether criminal, civil, administrative, or regulatory, required to be disclosed in this Item. Likewise, no persons involved in the management of MCA have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Firm nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither MCA nor any of its affiliates is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Each of the General Partners of MCF and the Managers of MCF II is MCA's affiliate. Certain MCA employees have a financial interest in the General Partner and/or the Manager. See Item 6, above, for a discussion of the potential conflicts of interest created by such affiliation.

Medina Capital Fund GP, LLC (the "**General Partner**"), is a limited liability company formed under the laws of the State of Delaware and is the general partner of MCF. The General Partner is controlled by Mr. Manuel D. Medina.

Medina Capital Fund Manager, LLC ("Manager"), is a Delaware limited liability company formed under the laws of the State of Delaware. Medina Capital Fund Manager is controlled by Manuel D. Medina and Mr. Medina has sole and complete charge of all of the affairs and business of MCF II.

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

Code of Ethics

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics (the "**Code**") that establishes various procedures with respect to investment transactions in accounts ("**Covered Accounts**") in which any of our employees has discretionary investment authority or exercises effective influence or control. MCA will provide a copy of the Code to any Client or prospective Client upon request.

Covered Account transactions in certain types of securities are monitored by the Firm's Chief Compliance Officer, Mr. Rene A. Rodriguez (the "**CCO**"). Employees must also obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by the CCO. These records are used to monitor compliance with the foregoing policies.

Participation or Interest in Client Transactions

Employees and affiliated entities may hold investments in MCF and MCF II through limited partnership interests and general partnership interests. The General Partner, the Manager and certain employees of MCA may also have financial interests in MCF and MCF II through Distributions received by the General Partner or the Manager, as applicable. As such, MCA could be considered to have recommended to investors that they buy or sell investments in which the Firm or a related person has some financial interest.

MCA, the General Partner, the Manager and/or the members of the MCA team have interests in MCF II, which holds majority or near-majority interests in and operates each of the cybersecurity and data analytics companies. This creates a conflict. Additional conflicts regarding MCF II are as follows:

I. Conflicts in General

Investors should be aware that, in connection with the current and potential future activities of the General Partner, the Manager, the Investment Advisor and the MCA Team, the investment and business interests of these entities and individuals may conflict with the investment and business interests of MCF and MCF II and their respective partners or member. The relationships between MCF and MCF II, including the acquisition by MCF II of certain entities in which MCF had investments and certain other activities of the General Partner, the Manager, the Investment Advisor and the MCA Team may also present conflicts of interest. In addition, potential conflicts exist with respect to investment decisions within MCF and MCF II to the extent that taxable and tax-exempt investors, or U.S. and non-U.S. investors, have divergent economic, tax and other interests.

2. Conflicting Interests among Members

Members in MCF II may include persons or entities organized in various jurisdictions that may have conflicting investment, tax and other interests with respect to their investment in the Units of MCF II. The conflicting interests of individual members may relate to or arise from, among other things, the nature of investments, the structuring of the acquisition of investments and the timing of the disposition of investments. Such structuring of investments may result in different after-tax returns being realized by different members. As a consequence, conflicts of interest may arise in connection with decisions to be made by the Manager and MCA, including, without limitation, with respect to the nature or structuring of investments that may be more beneficial for one member than for another member, especially with respect to a member's individual tax situation. In selecting and structuring investments in portfolio companies, the Manager will consider the investment and tax objectives of MCF II as a whole, not the investment, tax or other objectives of any member individually. In addition, the members or member representatives selected as members of the Advisory Board may have conflicting interests with some or all of the other members and may make decisions that are detrimental or less favorable to some or all of the other members.

Related Party Transaction

Affiliates of the MCA Team may provide services to MCF II and its portfolio companies; provided that such services shall be provided at market rates not exceeding the rate that would be payable if such services were provided by third parties on an arms'-length basis.

Advisory Cross-Transaction and Principal Transaction

As discussed earlier, MCF II has made an investment in SIS, the proceeds of which were used in part to fund the acquisition by SIS of four (4) cybersecurity and data analytics companies in which MCF was invested (the "**Portfolio Company Transactions**"). This raises several actual and potential conflicts of interest involving the Manager, Mr. Medina, and the MCA Team.

Investment Advisory Cross-Transaction

MCA serves as investment adviser to both MCF II and MCF. Although MCA is not directly receiving any transactional based compensation in the acquisition of the companies partially owned by MCF, nonetheless the Portfolio Company Transaction is considered a cross-trade, or a pre-arranged transaction between two funds or accounts managed by the same investment adviser. Although a transaction of this nature does not, in and of itself, create a conflict of interest between MCA, on the one hand, and either MCF II or MCF, on the other hand, it nonetheless leads to a conflict of interest between MCF II and MCF as investment advisory clients of MCA. Specifically, while MCF II had an interest in acquiring the cybersecurity

and data analytics companies for the lowest price possible, MCF has an interest in selling the companies at the highest price possible.

The Portfolio Company Transactions were conducted in accordance with MCA's compliance policies and procedures, and MCA took steps (including, but not necessarily limited to, the independent valuation discussed below) to ensure that neither MCF II nor MCF was disfavored by engaging in the transaction and that the Portfolio Company Transaction was executed on a fair and equitable basis to MCF II and MCF.

Investment Advisory Principal Transaction

Section 206(3) of the Advisers Act prohibits an investment adviser, acting as a principal for its own account, from knowingly selling any security to or purchasing any security from the investment adviser's client, without disclosing to the client in writing before the completion of the transaction the capacity in which the investment adviser is acting and obtaining the consent of the client to the transaction. This provision has been interpreted also to apply where an affiliate or controlling person of an investment adviser, rather than the investment adviser itself, is acting in a principal capacity with the advisory client. Further, the SEC may view cross-transactions between funds that are advisory clients of the adviser as a principal transaction if the investment adviser and/or its control persons own, in the aggregate, more than 25% of one or both of the funds involved.

Based on the investment in MCF II by MCA team, and the level of control exercised over MCF II by the Manager and over MCF by its General Partner, each of which are affiliated with MCA, the Portfolio Company Transaction is likely to be viewed as a "principal transaction" subject to the requirements of Section 206(3) of the Advisers Act. The material terms of the Portfolio Company Transaction are discussed in Part V, and this Part VIII, and in particular MCF II's private placement memorandum, discusses the material conflicts of interest involved with MCA (through its affiliates) involvement and interest in the transactions.

MCA took steps to ensure that the Portfolio Company Transaction was completed and conducted in accordance with MCA's compliance policies and procedures applicable to principal transactions. Specifically, MCA retained an independent, third party to review and provide an independent valuation of the Portfolio Company Transaction on behalf of MCF and its limited partners. MCA and its affiliates obtained informed consent to the Portfolio Company Transaction from each of MCF and MCF II prior to the completion (i.e., the actual closing) of the Portfolio Company Transaction.

Related Matters and Conflicts

Mr. Medina and the other members of the MCA Team own a significant interest in MCF II. In addition, Mr. Medina and several of the other members of the MCA management team owns a direct interest in MCF that, individually, range from less than 1% to approximately 13% and that, in the aggregate, represent approximately 18% of the total interests in MCF. Further, the General Partner of MCF is entitled (subject to certain restrictions) to receive up to 20% of the investment proceeds generated by MCF's investments (including the Cybersecurity and Data Analytics Companies), referred to as its carried interest. The General Partner of MCF is controlled by Mr. Medina and each of Mr. Medina and the other members of MCA Team is a member of and have a right to participate in the General Partner's carried interest payments. Mr. Medina also controls and is the managing partner of MCA and Mr. Rodriguez is MCA's Chief Compliance Officer. The direct ownership interests in, and the indirect participation of such persons in the carried interest received by the general partner of, MCF described herein creates a conflict of interest between MCA (and such persons) and MCF II, as such persons had an incentive to obtain the highest possible price for the sale of the Cybersecurity and Data

Analytics Companies to MCF. MCA believes that by adhering to its compliance policies and procedures and taking the other steps discussed above has minimized the impact of such conflicts of interest on the Portfolio Company Transaction; however, such conflicts nonetheless exist.

Item 12: Brokerage Practices

As an adviser to a private equity fund, MCA does not usually invest in publicly traded securities. While we primarily make investments directly with private issuers, there may be situations where we place a trade through a broker. If required to select a broker-dealer for a client transaction, we will seek “best execution” and make the selection based on a combination of cost, execution capability, and trading expertise consistent with the transaction.

We do not have any formal or informal soft dollar arrangements, nor do we receive any soft dollar benefits from any broker, dealer or other counterparty.

Item 13: Review of Accounts

Review of Accounts

Client accounts managed by the Firm are reviewed periodically to assure conformity with investment objectives and guidelines. Such reviews are conducted as determined necessary by the Firm based on MCF and MCF II's investments and as required by MCF and MCF II's governing agreements, including upon the request of the General Partner or the Manager, as applicable.

Reporting

In addition to receiving periodic reports from MCA about MCF's and MCF II's investments, each investor will receive MCF and MCF II's audited financial statements, together with other supplemental information pertaining to MCF and MCF II's portfolio of investments and activities, within 120 days of such MCF and MCF II's fiscal year end.

Item 14: Client Referrals and Other Compensation

Compensation for Client Referrals

The Firm does not presently compensate, directly or indirectly, any person for client referrals. However, MCA may use the services of third-party placement agents to assist raising capital, and, as a result, these agents may receive a portion of our Management Fees and Distributions as compensation for their services. The fees we may pay to our placement agents do not result in an increase in the fees charged to our Clients.

Item 15: Custody

Under their respective governing agreements, we may direct that Management Fees and Distributions be paid out of MCF and MCF II. For this reason, and because the General Partner and Manager are our related person, we may be deemed to have custody of MCF and MCF II's assets.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, we provide all investors with audited financial statements for MCF and MCF II in which they are invested within 120 days of MCF and MCF II's fiscal year end. In addition, the financial statements are audited by an independent accounting firm that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board, and are prepared in accordance with US Generally Accepted Accounting Principles. Investors should carefully review the audited financial statements of MCF and MCF II.

Item 16: Investment Discretion

Subject to any investment restrictions set forth in MCF and MCF II's operating agreements, as applicable, we have discretionary authority to make the following decisions without obtaining the consent of any investor:

- The investments that are to be bought or sold;
- The brokers, investment banks or placement agents through which investments are to be bought or sold; and
- The commissions or fees paid to effect these transactions.

Item 17: Voting Client Securities

MCA has established proxy voting policies and procedures designed to ensure that proxies are voted in the best interest of MCF and MCF II. When voting proxies, the Firm must identify and address material conflicts that may arise between the Firm's interests and those of MCF and MCF II. Specifically, MCA monitors the potential for conflicts of interest that might arise from personal relationships that the Firm or its employees may have with parties involved in the vote, and other special circumstances.

If the Firm determines that a conflict of interest exists as to a particular issuer, the CCO will determine whether the conflict is material to the vote. If it is determined not to be material, MCA will vote without further procedures. If it is determined to be material, the Firm will address the conflict in good faith.

Investors in MCF and MCF II may request a copy of MCA's proxy voting policies, as well as relevant proxy voting records, by contacting the CCO at 305-375-6000.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide investors with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.