

Item 1 Title Page

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of McKinney Capital, LLC (hereinafter “MC” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (205) 697-1837 or at leslie.bonnikson@mckinneycapital.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for MC is 315545. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

Item 2 Material Changes

This Firm Brochure is our disclosure document prepared according to the SEC's requirements and rules applicable to registered investment advisers. As you will see, this document is a narrative providing detailed information regarding our firm, its practices, fees, actual and potential conflicts of interest and key mitigating circumstances, policies and controls.

This Item 2 will be used to provide our clients and/or Fund investors with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Since our initial registration filing dated 7/22/2021, we have the following material changes to report:

- Our telephone number has changed to (205) 697-1837

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Item 4. Advisory Business

McKinney Capital, LLC (“MC”) is an SEC-registered investment adviser with its principal place of business in Birmingham, Alabama. We have been in business since 2009. The firm’s registration with the SEC does not imply any particular level of skill or training by our firm or employees or that the SEC has endorsed our respective qualifications to provide investment advisory services.

Our principal owners of MC (25% or more ownership) are as follows:

Roddy L. McKinney II
Daniel McKinney

MC provides investment management services to private equity funds and certain parallel co-investors (hereinafter collectively, “the Funds”). The fund manager will call on investors to make capital infusions to support the Fund’s investments once those investments have been identified and fully vetted through an extensive due diligence and negotiation process. Investments made for the Funds are generally, but not exclusively, in private, illiquid securities. Most of the time, each Fund is created, structured and funded to invest in a specific portfolio company or a group of portfolio companies.

MC manages Fund investments in various companies offering a wide spectrum of services. For each Fund, MC generally performs in-depth due diligence regarding investments, structures and prices of prospective portfolio company(ies), add-on acquisitions to portfolio companies, works closely with portfolio companies to provide strategic, operating, marketing and financial advice and identifies exit options prior to an initial investment.

MC leverages its industry knowledge and contacts to identify investment opportunities for the Funds. The investment objective of the Funds is to seek long-term capital appreciation.

We seek to invest the Funds’ assets primarily in the equity securities or interests of private companies and typically seek majority control positions via one or more of the Funds or with other co-investors. MC sources investment opportunities directly and from third parties, including traditional investment banks and brokers.

The Funds are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain exemptions available to issuers whose securities are not publicly offered. We manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

ASSETS: As of February 25, 2022, MC manages approximately \$127,568,087 of assets on a discretionary basis.

IMPORTANT ADDITIONAL CONSIDERATIONS: The information provided herein merely summarizes the detailed information provided in each Fund's offering and organizational documents. Certain of the investment vehicles are closed and are not admitting new investors. Current Fund investors and prospective investors in any new Fund launched by MC should be aware of the substantial risks associated with investment as well as the terms applicable to such investment. This and other detailed information is provided in the appropriate Fund offering and organizational documents.

Item 5. Fees and Compensation

For our services to the Funds, the Funds' General Partners/Managing Members, affiliates of MC through common ownership and control, will receive Carried Interest, a form of performance-based compensation described below and/or a fixed fee, as specified in the Fund offering documents. Relevant management or monitoring fees are charged directly to the portfolio company(ies).

Management Fees and Carried Interest:

Carried Interest, typically 20%, is allocated upon the sale of any portfolio company or realization of an investment or dividend. Limited Partners/Members should refer to the appropriate Fund offering documents for detailed information regarding fees and fee offsets. It is also important to note that any new Fund launched by MC may have similar or materially different terms than those summarized above.

Other Fees and Expenses

MC investment professionals have been appointed and are expected to be appointed in the future as directors to portfolio companies in which MC has made an investment. MC investment professionals closely monitor the business activities of the portfolio companies and may provide strategic advice and access to industry resources. As compensation for this service MC may charge annual monitoring fees to portfolio companies that are separate and apart from the management monitoring type fee. Annual monitoring fees are negotiated and agreed upon with the portfolio company. Other transaction fees may be charged by MC or our affiliates to compensate us or our affiliates for facilitating successful transactions involving acquisitions, add-ons, or other financings, purchases or sales of portfolio companies and securities. Please see Item 12 of this Brochure for additional information. Some compensation arrangements may contain acceleration payment clauses the result of which is full payment for services prior to the completion of such services. These acceleration payments may be triggered by realization events or other agreed-upon contractual provisions.

GENERAL INFORMATION:

Investments in Funds: MC may itself serve as the General Partner/Managing Member for a Fund. Alternatively, the General Partner/Managing Member for a Fund may be affiliated with MC through common ownership and control as well as shared executive officers. The General Partner/Managing Member of each Fund, principals and/or other related persons of MC will generally participate in the Fund's investments by investing assets directly in the Fund.

Co-Investments: MC or a Fund's General Partner/Managing Member may make co-investment opportunities available to Limited Partners/Members, their affiliates, MC employees, MC's related persons, and certain third-parties, as determined by MC. If a co-investment opportunity is presented to an outside investor or third-party, MC will follow co-investment opportunity allocation procedures set forth below. Allocation of such opportunities may create a conflict of interest as they are, by nature, limited and participation is not possible for all or even most investors in the Funds. As such, MC must determine which investors will be given the opportunity to co-invest and which will not. Moreover, MC has not in the past and may not in the future allocate certain deal expenses to participating co-investors.

To address these potential conflicts, we have adopted written policies and procedures that provide investors with appropriate disclosures regarding the conflicts of interest inherent in co-investing. Investors should note, however, that MC's allocation of co-investment opportunities and deal expenses is at the sole discretion of MC and may be driven by prior arrangements and other factors. For example, MC may give priority to Limited Partners/Members that had negotiated side letters requiring that MC provide co-investment opportunities at the time of their original capital commitment to the applicable Fund. In addition, co-investment opportunities may be allocated to and deal fees waived or reduced for third party investors that are necessary to help MC complete a transaction or investors that will be involved with the particular company post-closing. Finally, although investors are not typically a source of investment opportunities, when applicable, MC may generally give priority with respect to co-investment opportunities and deal fee and expense allocations or reductions to any investor that brought an opportunity to MC's attention. Deal fees and expenses may also be reduced or waived for a co-investment party that may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity

Pursuant to the respective Limited Partnership/Membership Agreements, certain executive officers and/or employees of MC have, and may acquire in the future, direct investments in one or more of the underlying portfolio companies through separate, affiliated entities formed for co-investment purposes. Employees and related persons of MC may also be offered additional opportunities, on a case-by-case basis, to co-invest in portfolio companies with the Funds. These co-investments will either be made pursuant to certain limitations outlined in each Fund's legal documents or will be disclosed in advance to Limited Partners/Members in Funds that do not contain such limitations.

If a proposed transaction is not consummated, no such co-investment vehicle will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by either MC or the Funds or Funds selected by MC as proposed investors for such proposed transaction (depending on the structure of each particular fund). Similarly, co-investment vehicles are not typically allocated any share of fees paid or received in connection with such an unconsummated transaction. As a general matter, no co-investor will bear Dead Deal Costs or receive any portion of any fees until they are contractually committed to invest in the prospective investment.

Investors must understand the proposed method of compensation and its risks prior to investing in any of the Funds. Prospective investors in any new Fund launched by MC should refer to the appropriate Fund offering and organizational documents for information regarding the fees charged by MC and/or the General Partner/Managing Member, as applicable, as the fees and off-sets may differ materially from the description contained herein and from fund to fund based on the purpose and circumstances of each fund.

Clawbacks: In accordance with the terms of each Fund’s Partnership Agreement and/or offering documents, distributions made by the Funds to its General Partner/Managing Member may be subject to clawback if the distributions exceed the agreed Carried Interest or the limited partners do not receive an agreed hurdle rate.

Lock-Up: Except as set forth in the applicable Fund’s offering documents, an investor in any one of the Funds generally may not rescind any part of its capital commitment or otherwise withdraw from any of the Funds. Private equity fund investing is for those who can afford to have capital locked up for long periods of time and who are able to bear the risk of significant losses.

Investors in each Fund should refer to the appropriate Fund's partnership agreement and offering documents for complete information regarding lock-ups and penalties or other consequences for failure to observe capital calls made by the Fund.

Side Letters: MC, or each Fund’s General Partner/Managing Member, as appropriate, may waive or modify certain terms of investment for certain large or strategic investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, co-investment opportunities, increased Fund and portfolio company transparency and more frequent or varied formats or modes of portfolio reporting.

Allocation of Fees and Expenses: As a fiduciary to the Funds, MC seeks to act in the best interest of the Funds at all times. Among other things, this includes responsible stewardship of the Funds’ assets. To the extent reasonably possible, therefore, MC seeks to keep Fund costs reasonable and to avoid unnecessary or excessive expenses. In addition, MC seeks to ensure that any expenses allocated to the Funds and portfolio

companies owned by the funds include only those expenses actually incurred by the Funds or relevant portfolio company(ies).

Expenses and fees that may be incurred by the Funds and portfolio companies are generally described in the Funds' offering documents and summarized in this Form ADV, Part 2A. In general, MC may not allocate any expense to a Fund or a portfolio company where such expense has been explicitly prohibited by the Fund's organizational and offering documents. Moreover, for any payments enuring directly or indirectly to the benefit of MC or any of its related persons, especially for items like consulting and monitoring services to portfolio companies, MC will follow the following procedures:

- Ensure that the compensation paid is fair in relation to the scope of the job's responsibilities;
- Ensure that the entities or individuals retained have sufficient expertise and qualifications to provide the services being contracted for;
- Engage in continuous monitoring to ensure that services contracted for are provided in full;

For each expense allocated to the Funds or a portfolio company, an invoice will be submitted. Expenses will be reflected on the books of the appropriate Fund or its affiliate, as appropriate. MC's CCO or his designee will review invoiced expenses and the methodology used to allocate among Funds or portfolio companies, as applicable. The methodology used to allocate expenses among Funds will be documented at the time of the allocation.

MC instructions to pay fund expenses (audit, legal, etc.) must be supported by an invoice.

When in doubt, MC will review disclosures regarding expenses as provided to applicable Fund investors through offering memoranda, Form ADV or otherwise and compare these to expenses actually charged to ensure that each expense is authorized and appropriately disclosed.

The CCO or his designee will periodically review expense allocation methodologies amongst the Funds and accounts to ensure that each Fund only assumes expenses attributable to its activities, and that those allocations are properly documented.

General: Prospective investors should refer to the appropriate offering and organizational documents for additional important information, terms, conditions and risks involved with investing in the Fund(s).

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

As we disclosed in Item 5 of this Brochure, most of the Fund's General Partners/Managing Members, affiliates of MC through common ownership and control,

receive Carried Interest, a form of performance-based profits interest. Such a performance-based profits interest is generally calculated based on a share of aggregate realized profits on assets of the Fund.

Investors in the Funds, and prospective investors in any new Fund launched by MC, should note that performance-based profits interest, in some contexts, can create an incentive for an adviser such as MC to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, the long term nature of private equity fund investing mitigates such risk because Carried Interest is calculated based on realized, not unrealized gains, leading MC to carefully consider the risk – reward relationship when making investments and add-on investments for the Funds. In addition, the General Partner/Managing Member also put their own funds at risk.

In theory, we could have incentive to favor a Fund paying higher aggregate performance-based compensation than one paying less or none at all, or a Fund in which related persons, officers and employees of the firm and General Partner/Managing Member may have more of their personal assets invested. Since we endeavor at all times to put the interest of the Funds first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. Most of the Funds are created with the express purpose of investing in a single portfolio company or a group of similar portfolio companies (comprising an investment platform), thus minimizing chances of cross-fund investment;
2. If applicable, we will disclose to investors and prospective investors the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some Funds than others;
3. We collect, maintain and document required investor background information to ensure that investors are qualified to invest in each Fund.
4. With respect to cross-fund investments (if any), where guidelines are not provided in the Funds' Limited Partnership/Membership Agreement, the General Partner/Managing Member seeks the consent of the applicable Funds' Advisory Boards or investors (as applicable) to the transaction; and
5. We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based compensation will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

Item 7. Types of Clients

We anticipate providing investment management services to several private equity funds and associated co-investors as disclosed at Item 4 of this Brochure.

Prospective investors in any new Fund launched by MC should refer to the appropriate Fund offering documents for information regarding that Fund's minimum required capital commitment and any additional qualifications required for investment.

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

MC professionals' frequent interaction with owners and senior executives of target industry companies help us to identify investment opportunities for the Funds. From time to time, MC may also engage executives, consultants, and traditional investment banks or brokers to assist with investments and to generate investment opportunities and/or sales of portfolio companies. Finally, target industry entrepreneurs may proactively approach MC as a resource for financing.

As adviser to the Funds, our firm primarily, though not exclusively, invests in securities issued by private companies or the assets of those companies. As such, traditional securities analysis is not possible when formulating investment recommendations. Instead, we rely on our due diligence process and investment judgment to determine which prospective portfolio companies to invest in on behalf of the Funds. However, investors must be aware that due diligence is different with each company and the available information and speed with which decisions must be made can vary greatly. The firm has and will likely continue to have investments that are not profitable due to the inherent risks of private equity investing.

MC typically employs a disciplined investment process in evaluating potential investments and generally performs rigorous analysis of the historical and prospective performance of potential portfolio companies. Our due diligence investigation generally includes: (a) financial and operational analyses; (b) face-to-face management meetings; (c) primary industry, served market, technology and competitive research; (d) customer calls and reference checks; and (e) additional company and sector specific analyses. The due diligence process is designed to verify our investment thesis by understanding the company's strategy, market position, operations and management expertise. In addition, the due diligence process may include the identification of acquisition candidates and potential buyers. Prior to any investment, we generally attempt to identify potential exit options.

Our due diligence process involves our senior management and additional MC professionals. MC has a network of lawyers, accountants, information technology and due diligence professionals and consultants who generally work in tandem with MC to advise on certain Fund investments.

MC professionals also provide guidance to portfolio companies based upon the collective experience of our team of professionals. MC believes its depth of expertise makes us a preferred partner for middle-market companies. Through their prior experiences as owners, and advisors, MC professionals are able to add insight and value through strategic, operating, marketing, and financial recommendations to maximize growth and

profit potential. MC often helps portfolio companies pursue add-on acquisitions, provides advice on the timing of asset/subsidiary divestitures and exit strategies, consults on financial issues and generally provides a knowledgeable perspective in defining strategic direction, refining product line expansion, evaluating competitors and facilitating strategic introductions and alliances. MC has in the past sought and expects to seek in the future seats on portfolio companies' board of directors or board observation rights.

Risks of Long-Term Investing through Private Equity/Private Debt Funds: One of the primary risks of a long-term investment strategy is that, if our predictions are incorrect, a security may decline sharply in value. This risk is particularly pronounced when investing for the long term in privately issued securities due to the absence of an immediate and liquid market for these investments. Any sale of such securities will typically take some time to complete. The company, its competitors or its industry may behave in ways which were not, and in some cases could not have been predicted, leading to significant losses and/or a lack of any attractive exit option.

In addition, as we may not control the management of all portfolio companies, the management of these companies may act in ways which are contrary to our advice and plans for their growth or profitability.

Risks in General: Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the detailed explanation of the many risks associated with investment as provided in the appropriate Fund's offering memorandum.

Item 9. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Each of the Funds has a separate General Partner/Managing Member and each is related to MC through common ownership and control.

General Partners/Managing Members are generally entitled to Carried Interest, as applicable, pursuant to the terms and conditions set forth in the appropriate Fund offering documents. Any such allocation will ultimately inure to the benefit of the owners and executive officers of MC.

Family members, employees and/or related entities often are investors and/or co-investors in the Funds managed by MC. Such investments may be made via special

purpose pooled investment vehicles, personal investments or through MC itself. As such, MC has a potential conflict of interest in allocating limited investment and/or co-investment opportunities to these related persons and entities.

Certain employees of MC may hold employment positions with portfolio companies in which the Funds are invested. As such, MC has a potential conflict of interest in these employees receiving compensation that exceeds industry norms or market rates and thus directly or indirectly reduces the performance returns of the Fund(s). Consequently, to mitigate the existing conflict of interest, MC will adopted policies and procedures addressing fair determination and allocation of costs and expenses prior to MC employees holding a position with a portfolio company.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Funds, upon request to the Chief Compliance Officer, at the firm's principal office address.

As disclosed at Item 5 of this brochure, certain executive officers and/or other employees of MC have invested or may invest a portion of their personal net worth in one or more of the Funds. In addition, certain executive officers of MC have in the past and may in the future make direct investments in one or more of the underlying companies which the Funds have invested in. Employees of MC and its affiliates may also be offered the opportunity on a case-by-case basis to co-invest in portfolio companies with the Funds.

It is the expressed policy of our firm that no person employed by us may usurp an investment opportunity which may be appropriate for one or more of the Funds without first presenting the opportunity to our Investment Committee, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. No officer or employee of our firm may prefer his or her own interest to that of an advisory client. Co-investments are disclosed and may be limited to and may not exceed the maximum aggregate percentage of the total investment made by certain Funds, as defined in the appropriate Fund's offering documents.

2. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund. Such levels of participation in any one of the Funds by our owners, principals or employees is limited by the terms of each Fund's partnership agreements and/or offering documents though side-by-side investments are typically allowed.

Without obtaining the consent of the Advisory Board when established for each Fund, neither MC nor any General Partner/Managing Member or other affiliated person shall engage in a principal trade between any of the Funds, that is a purchase from, or sell of securities to, a Fund from a proprietary or personal account, other than through side-by-side investments as may be provided for in the respective Limited Partnership/Membership Agreement.

Item 12. Brokerage Practices

MC, directly or in conjunction with each Fund's General Partner/Managing Member or other affiliates, is responsible for all parts of the investment cycle including deal sourcing and origination, investment decision-making, deal negotiation and transaction structuring, portfolio management (the act of overseeing the investments that we have made) and exit strategies. MC will typically make direct investments on behalf of the Funds in privately-held companies. Generally, the Fund will not acquire securities of publicly traded companies, although the firm may acquire publicly-traded securities in certain funds so long as it complies with the limits on such purchases contained in the respective Limited Partnership/Membership Agreements.

Each direct investment is carefully structured through negotiations by members of the applicable Fund's General Partner/Managing Member, and MC's Investment Committee

and/or Deal Team, as well as various professionals engaged by the firm to facilitate a particular deal, as appropriate. These professionals can include attorneys, accountants, consultants, information technology and due diligence professionals, among others. MC may utilize the expertise of these professionals in evaluating an investment. Transactions in securities that are made by MC for the Funds are generally negotiated deals which may or may not involve the participation of an investment bank or broker dealer (hereinafter collectively "Brokers").

The initial factor considered by MC in determining whether or not to enter into a transaction on behalf of a Fund through a Broker will depend, in part, on whether we are seeking to acquire securities or exit a position. If a Broker is involved in a Fund transaction involving an acquisition or other new investment, it is typically because the selling company has engaged such firm to assist it in negotiating and structuring the terms of a particular deal on its behalf including organization of an auction(s) or otherwise. In this way, the selling company hopes to obtain the best possible terms for its sale. Acquisitions and investments are generally funded with capital raised from the Funds' limited partners and by debt obtained for the Fund by MC. Under these circumstances, the cash flow from the portfolio company generally will provide the source for the repayment of such debt.

Of course each Fund's ultimate goal when investing is to sell or "exit" its investments in portfolio companies for a return in excess of the price paid. When selling a portfolio company, in order to obtain the best possible selling price, and depending on the particular circumstances of the proposed deal, MC may engage a Broker to assist in the sale if MC determines that such third party has a broader reach than our firm alone and that engaging the third party will be in the best interests of the Funds.

If, consistent with our goal of seeking the best execution, MC determines that it will engage a Broker to assist with the structuring of a particular transaction, such Broker will be selected on the basis of the following, as applicable:

- expertise in the particular market;
- market reach and financial stability;
- history of similar transactions;
- the fees and other cost associated with its services;
- its reputation;
- our past experience with the firm, including any past deal flow or ideas provided by the firm, if any;
- our anticipation of future deal flow, if any;
- willingness and ability to commit capital to complete the deal, if necessary; and
- responsiveness of staff.

Trade Aggregation:

Due to the nature of private equity fund investing, MC does not typically aggregate trades for more than one Fund. However, if MC has determined that an underlying investment

is to be made on behalf of two or more of the Funds, MC will typically enter into a single transaction, aggregating the trades for each Fund as well as any co-investor that was allocated a percentage of the trade. Each participant will participate in the trade at the same price. Transaction costs will typically be borne by the portfolio company whose securities are being acquired or which has received financing, as appropriate. As disclosed at Item 5 of this Brochure, MC or the General Partner/Managing Member of a particular Fund may also make co-investment opportunities available to Limited Partners/Members and their affiliates as appropriate and in the best interest of the Funds. Allocation of such opportunities creates a conflict of interest as they are, by nature, limited and participation is not possible for all or even most investors in the Funds. As such, MC must determine which investors will be given the opportunity to co-invest and which will not.

Certain executive officers and employees of MC may also have direct investments in one or more of the underlying portfolio companies which the Funds have invested in. Employees of MC and its subsidiaries for the Funds, may also be offered additional opportunities, on a case-by-case basis, to co-invest in portfolio companies with the Funds. These co-investments are sometimes limited to a predefined total aggregate percentage of any such investment in accordance with the respective Funds' Limited Partnership Agreement.

MC does 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

MC monitors the portfolio companies of each Fund on an ongoing basis. As part of the terms of investment, MC has also arranged for the Funds' to have one or more representatives serving on the Board of Directors of many portfolio companies.

The Investment Committee for each Fund will approve all portfolio investments and dispositions and will be actively involved in analyzing each investment and reviewing those investments on an on-going basis.

The Investment Committee meets periodically to review ongoing monitoring activities and to evaluate potential new investments and acquisitions. The following individuals currently serve on the Investment Committee for the Funds as set forth below:

Eric Essary, Chief Executive Officer
Roddy Lee McKinney, II, Member
Daniel McKinney, Chairman

The Investment Committee changes over time and may vary from Fund to Fund.

The Funds are audited annually by an independent, certified public accountant that is both registered with and subject to regular inspection by the Public Companies

Accounting Oversight Board (PCAOB) and a copy of the audited financials are sent to each investor on a timely basis.

Item 14. Client Referrals and Other Compensation

Although our firm does not currently utilize placement agents for referring prospective investors to our Funds, we reserve the right to enter into such arrangements in the future. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer may be motivated, at least partially, by financial gain and not because the MC Funds are the most suitable to the prospective investor's needs. To address this potential conflict of interest, all referred investors would be informed of the placement agent's role and the firm would collect appropriate required information to ensure that the investor meets the qualifications for investing in the fund.

Item 15. Custody

Because we act as investment adviser to the Funds and are affiliated with each Fund's General Partner/Managing Member through common ownership and control, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We send, directly or through a third party, the audited financials to each Fund investor within 120 days of the applicable Fund's fiscal year end.

Item 16. Investment Discretion

As investment adviser to the Funds, MC is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities and the amounts of securities that are to be bought or sold on behalf of the Funds.

Item 17. Voting Client Securities

Because the Funds transact primarily in privately issued securities or assets, MC is only required to vote proxies when portfolio companies become publicly-traded. Under these circumstances, MC will vote proxies in the best interest of the Funds, typically with the goal of maximizing value for the Funds and the investors in the Funds. To that end, MC will endeavor to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. MC's complete proxy

voting policy and procedures will be memorialized and available for investors to review should the situations arise where MC would be required to vote proxies.

It is important to note that MC or the General Partner may have one or more affiliated persons appointed to serve on the Board of Directors of portfolio companies. As such, a conflict of interest could arise when voting certain common proxies including board composition, tenure or compensation. Under these circumstances, MC may be required to abstain or engage an unaffiliated third party to vote the proxy on behalf of the affected Fund.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, therefore, we are not required to include a financial statement with this brochure.

MC has not been the subject of a bankruptcy petition at any time during the past ten years.