

A horizontal gold-colored banner with the text 'Merchant Banking Income Fund II' in white, sans-serif font.

Risks & Disclaimers

This presentation does not constitute an offer to sell an interest, or a solicitation of an offer to make an investment, in the proposed investment fund described herein. No such offer or solicitation will be made prior to the delivery of definitive documentation relating to the Fund. The Presentation does not purport to be complete and is qualified in its entirety by reference to the more detailed discussion contained in the actual text of the offering documents. Neither the U.S. Securities and Exchange Commission nor any other governmental authority or commission, has approved or disapproved an investment in the Fund.

This Presentation is being provided to each recipient on a confidential basis solely to assist the recipient in deciding whether or not to proceed with a further investigation of an investment in the fund. Each recipient agrees that without written permission, it will not use this presentation for any other purpose or share it with any person other than advisers with whom the recipient is consulting regarding a potential investment in the fund.

An investment in the Fund is suitable only for sophisticated investors for whom the investment constitutes only a small part of such investors' investment program and who fully understand and who have the financial resources necessary to withstand the risks involved in the specialized investment program in which the fund will engage. No assurance can be given that the fund's investment objective will be achieved. Prospective investors should carefully review this presentation and the offering documents, understand the risks set forth in the presentation and the offering documents, and make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the fund. Prospective investors should consult with legal counsel and financial, accounting, regulatory and tax advisors to determine the consequences of an investment in the fund, and the relationship of such an investment to their overall investment program and financial tax position.

Each prospective investor is invited to meet with a representative of the fund to discuss with, ask questions of and receive answers from such representative concerning the terms and conditions of the fund.

Selected Risk Factors include: Limited transferability of interests. Potential for fund to incorrectly evaluate the borrower. Potential for loss of all Investor capital. Dependence on key personnel. Limited operating history of Fund. Conflicts of interest related to Manager. No minimum contingency in offering.

For a full discussion of all risk factors related to this investment, please refer to the offering's Private Placement Memorandum.

Due Diligence **Questionnaire**

Sponsor:	JB Capital Management
Issuer:	Merchant Banking Income Fund II, LLC (MBIF II)
Objective:	Strong current income with a focus on capital preservation. Additional upside yields through warrants or other equity like structures.
Investment Focus:	Private Credit - Lower Middle Market Focus
Fund Term:	Evergreen
Minimum Investment:	\$250,000
Preferred Return:	11%
Target Return:	14%
Management Fee:	None
Distributions:	Monthly
Liquidity:	1-year lockup, quarterly redemptions thereafter
Custodians:	Charles Schwab, NFS/Fidelity, BNY/Pershing

Provide a brief description of the firm's history

JB Capital started in 2003 as an independent corporate finance and advisory firm. For the next near twenty years the firm raised and advised on nearly \$1Billion in capital to privately held companies, originating and executing investments alongside commercial banks and leading alternative investment managers throughout the country.

In 2019, JB Capital in partnership with JB Capital Management ("JBCM") launched the Merchant Banking Income Fund ("MBIF") as a direct private lender offering responsive, creative capital solutions to privately held, middle market companies and small corporate borrowers. This fund found extraordinary demand in the market from borrowers and investors alike. MBIF was oversubscribed in 2022 and closed to new investors.

Fund Strategy

MBIF II makes non-control direct credit investments in select companies with strong business models, compelling value propositions, and experienced management teams. The purpose of MBIF II is to provide investors with a high-yield debt investment while minimize the risk of loss of principal and maintaining near-term liquidity.

Due Diligence Questionnaire

Firm: General Information

	Yes	No
Does the Firm have any existing business lines that are unrelated to the Fund's investment strategy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the Firm or any affiliated entity ever failed to make payments under any secured or unsecured indebtedness?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the Firm or any affiliated entity ever filed for bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Firm or any of its Principals conduct outside business or investment management activities during the investment period of the Fund?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Firm a publicly-held company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Fund: General Information

	Yes	No
Are the loans the Fund is making secured ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do investors have visibility into the activities of the Fund?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Will Placement Agents or Broker-Dealers be used during the capital raising process ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Fund use leverage ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the Fund charge a management fee ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the Fund offer separate accounts ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Can the Fund accept investment from qualified accounts such (ex. IRA/401k, etc) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have any special terms been given to investors in relation to fees or redemptions ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Key Persons / Principals

	Yes	No
Does the Firm hold key man insurance ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has there been a transition or departure in a member of Leadership in the Firm's history?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any members of Leadership currently in the process of transitioning to retirement or departing at the Firm?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has a "for cause removal" taken place at the Firm?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has a "Key Person" event occurred in the Firm's history?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Firm aware of any significant staff departures expected to occur in the next year ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are there any known conditions (e.g., health, financial, litigation or personal) of any of the Firm's Principals that might influence their ability to execute their duties to the Fund or Firm?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Due Diligence Questionnaire

Investment Strategy

	Yes	No
Is the Fund's strategy materially different from the previous fund(s) ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Fund actively pursue investments in public securities and/or Private Investments in Public Equity (PIPE) investments ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Fund pursue PIPE investments in de-SPAC transactions where the SPAC sponsor is affiliated with the Firm ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the Firm raised a SPAC ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Firm actively pursue opportunities to raise a SPAC inside the Fund ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Fund engage in hostile transactions ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Fund offer co-investments ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has the Firm entered into any agreements with respect to co-investments alongside the Fund ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Valuation & Reporting

	Yes	No
Does the Firm have a defined Valuation Policy ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has the Firm's Valuation Policy remained significantly unchanged over the past five years ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Will the Fund be valued by an independent, unaffiliated valuation firm ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the Fund's audit firm independent from the Firm and Fund, including family members that are employed by the Fund and Firm ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Fund use an independent, unaffiliated Fund Administrator ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the Firm have an investor portal for Limited Partners to access information through ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Legal

	Yes	No
Have any of the Principals ever been convicted of a felony or are currently under investigation ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there ever been criminal or administrative proceedings or investigations against the Firm, its affiliated entities and/or any of its current or former Team Members ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there ever been investigations by an industry regulatory body of the Firm, its affiliated entities and/or any of its current or former Team Members ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Firm have a fiduciary obligation to act in the best interests of the Fund and its investors ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Firm have a dedicated Chief Legal Officer (CLO) or anyone acting in this capacity ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Due Diligence Questionnaire

Alignment of Interests

	Yes	No
Will there be any clawback of expenses related to the formation of the fund ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will there be a catch up provisions once certain return milestones are met ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any of the Firm's Principals and/or affiliates elect to NOT invest in the Fund?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any commitments from the General Partner and/or any of its Principals be leveraged or loaned?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any commitments from the General Partner and/or any of its Principals be financed through long-term indebtedness?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any commitments from the General Partner and/or any of its Principals be financed with deferred management fees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any commitments from the General Partner and/or any of its Principals be financed with assets from another investment managed by the Firm?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any commitments from the General Partner and/or any of its Principals be financed via the proceeds of a credit facility?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will any commitments from the General Partner and/or any of its Principals be financed from affiliates or individuals/entities outside of the General Partner and/or Principals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Risk / Compliance

	Yes	No
Does the Firm have a written policy on the handling and safeguarding of any material, non-public information?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Firm have a dedicated Chief Compliance Officer (CCO) or anyone acting in this capacity ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the Firm a registered investment advisor or broker-dealer ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has an SEC Deficiency Letter been issued to the Firm ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will the Firm actively engage in crypto currency investments with cash holdings ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Firm and/or Fund regulated for AML/CFT purposes ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has the Firm had any cyber breaches ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Service Providers

Accounting / Tax

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