

ITEM 1: Cover Page

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FORM ADV PART 2A

This brochure provides information about the qualifications and business practices of Spouting Rock Asset Management, LLC (“SRAM” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (610) 788-2128. 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.

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

Additional information about Spouting Rock Asset Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. You can view our Firm’s information on this website by searching for Spouting Rock Asset Management, LLC. You may search for information by using the Firm’s CRD number. The CRD number for Spouting Rock Asset Management, LLC is: 150516.

ITEM 2: Summary of Material Changes

We have added the following material change since our last amendment in March 2023: Item 18, financial condition.

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ITEM 4: Advisory Services

Description of Advisory Services:

Spouting Rock Asset Management, LLC (“SRAM”) is based in Bryn Mawr, Pennsylvania and became registered as an investment adviser with the Commonwealth of Pennsylvania in September 2009. In November 2014, we filed for registration as an investment adviser with the SEC. SRAM is organized as a limited liability company under the laws of the State of Delaware. We are principally owned by Spouting Rock Financial Partners, LLC (“SRFP”).

We are a boutique investment management firm currently offering professional portfolio management to individuals and institutions desiring investments in liquid alternative products. The advisory services offered by Spouting Rock generally include portfolio management and related investment management services.

SRAM is the filing adviser for the umbrella registration of SRAM and SR Alternative Credit, LLC (the “Relying Adviser”). The Relying Adviser shares advisory and management personnel with SRAM, all of which are subject to SRAM’s compliance policies and procedures. SRAM conducts a single advisory business with the Relying Adviser. SRAM and the Relying Adviser are sometimes referred to herein collectively as “SRAM”, “we” or “us.” Please refer to the Schedule R - Relying Advisers section of the SRAM’s Form ADV Part 1A for additional information.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. We primarily manage client portfolios with full investment discretion with consideration of individual investors’ needs when recommending an investment strategy. If we are retained for portfolio management services, we will conduct a process to determine the investment objectives and other relevant information. We may also customize a portfolio based upon clients’ investment objectives.

Alternative Return and Alternative Return & Income Strategies. Spouting Rock offers two investment strategies which focus on liquid alternative solutions for clients. These strategies focus on selecting and investing in open-ended ‘40 Act mutual funds that employ alternative investing strategies or focus on alternative asset classes. The strategies are thoughtfully curated portfolios implemented to meet investment objectives, are actively managed and diversified, consisting of roughly 8 to 12 mutual funds at any given time. Alternative Return seeks to achieve capital preservation by emphasizing absolute (positive) returns and low volatility across all market cycles. Alternative Return & Income seeks to diversify fixed income allocations by emphasizing yield and total returns with low volatility across all market cycles, while maintaining low effective duration (interest rate) risk.

Small Cap Growth Strategy. The strategy takes a fundamental research-based approach, seeking to construct a focused yet diversified portfolio of smaller capitalization equities believed to be future compounders, companies undergoing demonstrated business improvements that should benefit from higher compound earnings growth and stock price appreciation. The strategy seeks produce a return in excess of the Bloomberg 2000 Growth benchmark over a market cycle.

SMID Growth-Concentrated Strategy. The strategy takes a fundamental research-based approach, seeking to construct a concentrated yet diversified portfolio of smaller and mid-capitalization equities believed to be future compounders, companies undergoing demonstrated business improvements that should benefit from higher compound earnings growth and stock price appreciation. The strategy seeks produce a return in excess of the Bloomberg 2500 Growth benchmark over a market cycle.

SMID Core Strategy. The strategy takes a fundamental research-based approach, seeking to construct a diversified portfolio of smaller and mid-capitalization equities believed to benefit from improved business fundamentals and stock price appreciation. The strategy seeks produce a return in excess of the Bloomberg 2500 benchmark over a market cycle.

Global Small Cap. The strategy invests in emerging global leaders that are early in their growth cycle and provide the potential to generate strong returns over a long-term time horizon. the strategy utilizes a bottom-up approach to identify global small cap companies that we believe are at an inflection point and have compelling sustainable growth and return potential. We focus our research efforts on identifying opportunities among emerging and re-emerging small-cap growth companies globally. An experienced team and in-depth research allow us to focus on long-term outperformance and construct a portfolio of innovative global small cap companies. The strategy seeks produce a return in excess of the MSCI World Small Cap benchmark over a market cycle.

Opportunistic All Cap Strategy. The strategy takes a fundamental research-based approach, seeking to construct a diversified portfolio of small, mid and large capitalization equities believed to benefit from improved business fundamentals and stock price appreciation. The strategy invests long in US equities mostly with the ability to short and use options. The goal is to construct a portfolio that will result in a strong risk-adjusted return profile. The strategy seeks produce a return in excess of the Bloomberg 3000 benchmark over a market cycle.

SRAM currently provides discretionary investment advisory services related to the Opportunistic All Cap Strategy, including but not limited to managing and directing the investment and reinvestment of assets for the following Cayman master-feeder private investment fund:

- Victor Equity Fund, Ltd, a Cayman Islands company (Master)
- Victor Equity Fund, LP, a Delaware limited partnership (Feeder)

SRAM neither tailors its advisory services to the individual needs of investors nor accepts investor-imposed investment restrictions with respect to the Private Funds above. When deemed appropriate for a large or strategic investor in the Opportunistic All Cap Strategy, SRAM may establish a Separately Managed Account (“SMA”) that may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such SMA relationships are generally subject to account minimums.

Kingsland Long-Term Growth Strategy. The strategy is an asset allocation that is appropriate for those clients who seek long term capital appreciation and have a ten year or longer time horizon. This strategy is focused on companies that are early in their life cycle and whose growth characteristics offer appreciation potential that is much greater than most US equities.

In identifying candidates, we seek companies that have scalable business models, management teams that empower employees through the development of strong corporate cultures, are leaders in their industry or are rapidly taking market share and are experiencing strong demand that leads to double digit revenue growth in all but the most severe economic environments. The strategy seeks produce a return in excess of the Bloomberg 2000 Growth benchmark over a market cycle.

Kingsland Sustainable Growth Strategy. The strategy is an asset allocation that is appropriate for those clients that seek long term capital appreciation and have a 5 year or longer time horizon. This strategy focuses on companies that are experiencing strong growth but are more mature than those companies in the Kingsland Long Term Growth Strategy. In identifying candidates, we seek companies that have scalable business models, management teams that empower employees through the development of strong corporate cultures, are leaders in their industry or are rapidly taking market share and are experiencing strong demand that leads to revenue growth significantly greater than the economy as a whole. The strategy seeks produce a return in excess of the Bloomberg 3000 Growth benchmark over a market cycle.

Kingsland Comprehensive Growth Strategy. The strategy is an asset allocation that is appropriate for those clients that seek long term capital appreciation and have a 7 year or longer time horizon. This strategy focuses on companies that are experiencing strong growth that is more sustainable than those companies in the Kingsland Long-Term Growth Strategy but are earlier in their life cycle than many securities in the Kingsland Sustainable Growth Strategy. We view this strategy as a combination of both the Kingsland Long-Term Growth Strategy and the Kingsland Sustainable Growth Strategy that does not include the earliest stage (that are present in the Long-Term Growth Strategy) or latest stage companies (that are present in the Sustainable Growth Strategy) in their life cycle. In identifying candidates, we seek companies that have scalable business models, management teams that empower employees through the development of strong corporate cultures, are leaders in their industry or are rapidly taking market share and are experiencing strong demand that leads to revenue growth significantly greater than the economy as a whole. The strategy seeks to produce returns in in excess of the Bloomberg 3000 Growth benchmark over a market cycle.

Kingsland Balanced Strategy. The strategy is an asset allocation that is appropriate for those clients that seek both long term capital appreciation and have a need for current income. This strategy focuses on companies that are more mature in their lifecycle but are continuing to grow. The bond portion of the portfolio is designed to provide current income from mature corporations. In identifying candidates, we seek companies that have scalable business models, management teams that empower employees through the development of strong corporate cultures, are leaders in their industry or are rapidly taking market share and are experiencing solid demand that leads to revenue growth at least as strong as the economy as a whole. The strategy seeks to produce returns in in excess 50%/50% S&P 500 Index/Barclays US Aggregate Bond Index benchmark over a market cycle.

Longmark Strategy. The strategy takes a fundamental research-based approach to investing long in US equities with the ability to short and use options. The goal is to construct a portfolio with exposure to a concentrated yet diversified mix of equities that will result in a strong risk-adjusted return profile. The strategy seeks to achieve capital preservation by emphasizing security selection and excess returns with moderate beta/correlation and lower volatility than its benchmark (MSCI World NR Index) across all market cycles.

SRAM currently provides discretionary investment advisory services related to the Longmark Strategy, including managing and directing the investment and reinvestment of assets for the following private investment fund:

- Longmark Partners, LP, a Delaware limited partnership

SRAM neither tailors its advisory services to the individual needs of investors nor accepts investor-imposed investment restrictions with respect to the Private Funds above. When deemed appropriate for a large or strategic investor in the Longmark Strategy, SRAM may establish a Separately Managed Account (“SMA”) that may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such SMA relationships are generally subject to account minimums.

Longfield Strategy. The strategy is comprised of 20 US equities derived from 13F analysis of what are believed to be high quality, alpha producing investment managers. The goal is to construct a portfolio with exposure to a concentrated yet diversified mix of equities that will result in a strong risk-adjusted return profile. The strategy seeks to produce excess returns to its benchmark (S&P 500 TR Index) over a market cycle.

Stewart Asset Management (“SAM”) Strategy. The SAM Strategy, offered through SRAM, offers ongoing portfolio management services that includes but are not limited to:

- Investment strategy
- Asset allocation
- Risk tolerance
- Asset selection
- Regular portfolio monitoring

The SAM Strategy seeks to allocate investment opportunities and transactions it identifies as being appropriate and prudent that might have a limited supply, among clients on a fair and equitable basis over time. The SAM Strategy generally limits its investment advice to U.S. securities. SAM may use other securities as well for diversification purposes as needed.

SR Alternative Credit (“SRAC”) Strategy. This is a private credit strategy that focuses on generating yield for investors by executing senior secured asset-based lending transactions focused on deals from \$10mm to \$50mm with a maturity of 1-4 years.

SRAC provides discretionary investment advisory services including, but not limited to, managing and directing the investment and reinvestment of assets for the following four (4) private investment funds:

- PFM Credit Recovery Fund I, LLC, a Delaware limited liability company (“PFM Credit Fund”)
- OHP II LP, a Delaware limited partnership
- OHP Ltd, a Cayman Islands company
- OHPC LP, a Delaware limited partnership

Each of the private investment funds listed above may be referred to individually in this Brochure as a “Credit Fund” and together as the “Credit Funds.” The terms for each Credit

Fund are disclosed in detail the relevant Credit Fund's offering documents that are provided to prospective investors prior to investment.

SRAC acts as the investment manager and/or managing member to each of the Credit Funds. SRAC primarily invests its clients' assets directly, or indirectly through a participations (as applicable), in senior secured term loans, senior secured revolving loans, direct purchases of assets or other hybrid structures that generally replicate the risk and return profile of senior secured loans. SRAC may also invest in mezzanine or other non-senior debt structures. Additionally, SRAC may invest in indices and exchange-traded funds ("ETFs") for hedging purposes and may also opportunistically invest in public equity securities, such as business development companies ("BDCs"), from time to time that, in the investment manager's view, provide exposure to credit markets.

When deemed appropriate SRAC may establish a Separately Managed Account ("SMA") that may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such SMA relationships are generally subject to higher minimums.

Where appropriate, the General Partner and the Investment Manager or their respective affiliates may offer co-investment opportunities to one or more (but not necessarily all) of the Investors or other persons, and the General Partner, the Investment Manager and their respective affiliates and persons or entities that they advise or sponsor also may participate in such co-investments (a "Co-Investment Opportunity"). In the event of a Co-Investment Opportunity: (i) no Investor will be required to participate in such Co-Investment Opportunity unless it so chooses and (ii) the sponsor of the relevant Co-Investment Opportunity will, in its sole discretion, determine the terms of such participation and whether, and in what amounts, an Investor or third-party will be permitted to participate in such Co-Investment Opportunity. Any Co-Investment Opportunity will not be part of the Fund and the terms of any Co-Investment Opportunity will not be governed by the terms of the Partnership Agreement. For the avoidance of doubt, any fees received by the General Partner, the Investment Manager or their respective affiliates will not offset or reduce the amount of the Management Fees otherwise payable to the Investment Manager.

Highwood Strategy. This strategy is comprised of a diversified hedge fund portfolio that invests in other commingled limited partnerships (hedge funds). The goal is to construct a portfolio with a diverse mix of long/short equity strategies, resulting in a strong risk-adjusted return profile. The strategy seeks to achieve capital preservation by emphasizing risk-adjusted alpha generation, low beta/correlation and low volatility across all market cycles.

SRAM currently provides discretionary investment advisory services related to the Highwood Strategy, including managing and directing the investment and reinvestment of assets for the following private investment fund:

- Highwood Capital Partners, LP, a Delaware limited partnership

SRAM neither tailors its advisory services to the individual needs of investors nor accepts investor-imposed investment restrictions with respect to the Private Fund above. When deemed appropriate for a large or strategic investor in the Highwood Strategy, SRAM may establish a Separately Managed Account ("SMA") that may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of

the Funds. Such investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such SMA relationships are generally subject to significant account minimums.

Pooled Investment Vehicles

As of the date of this Brochure, SRAM provides investment advisory services, pursuant to the investment guidelines as set forth in the applicable offering memoranda of several private commingled funds, the “Private Funds”. The Private Funds include:

- Cayman Master-Feeder Funds:
 - Victor Equity Fund LP, a Delaware limited partnership (“Victor LP”) and
 - Victor Equity Fund Ltd. A Cayman Islands company (“Victor Ltd”)
- Spouting Rock I LP, Series A (Hazeltree Fund Service, Inc.) a Delaware limited partnership (“SR I, A”)
- Spouting Rock I LP, Series B, (Qarma Systemic Emerging Markets Equities Fund LP) a Delaware limited partnership (“SR I, B”)
- Longmark Partners LP, a Delaware limited partnership (“Longmark”)
- SRAC “Credit Funds”
- Highwood Capital Partners LP, a Delaware limited partnership (“Highwood”)

SRAM utilizes sub-advisor Qarma Technology, Inc. for Private Funds, Qarma Systemic Emerging Markets Equities Fund LP, a Delaware limited partnership (“Qarma EM”) and Qarma USA Large Cap Fund, Ltd., a Cayman Islands Company (“Qarma LC”).

Spouting Rock GP, LLC, a Delaware limited liability company (the “General Partner”) is the sole general partner to SR I, A, SR I B and Longmark Private Funds. SRAM is the sole General Partner of the Victor LP and serves as the investment manager to Highwood Capital Partners, LP. Highwood Capital Advisors LLC is the General Partner for Highwood Capital Partners, LP.

SRAM may provide investment advisory services to other private funds in the future. SRAM tailors its Portfolio Management Services to the specific needs of each particular Private Fund by complying with the terms of each Private Fund’s governing documents or other limitations which the Private Fund may request. For more information, about our investment strategies, please see Item 8 (Methods of Analysis, Investment Strategies and Risks of Loss).

Subject to an investment advisory agreement (“Advisory Agreement”) with us, a client may impose reasonable restrictions on the securities or types of securities held in the client’s account. Due to the potential conflict of interest with respect to the Fund, these restrictions may include a prohibition against investing in the Fund for a client’s account.

The investment strategies discussed in this brochure may not be appropriate for all clients. We aim to only recommend those strategies that are believed to be suitable for a particular client.

Wrap Fee Program

We are neither a portfolio manager to nor a sponsor of any wrap fee program.

Assets Under Management

Our discretionary assets under management as of December 31, 2022 are approximately \$410,637,422 and our non-discretionary assets under management are \$44,335,397. Our assets under advisement are \$500,225,322.

ITEM 5: Fees and Compensation

Portfolio Management Services

Our annual management fee for SMAs is based on a percentage of your assets we manage and is set forth in the following fee schedule:

	\$0-\$9,999,999	\$10 million- \$ 20 million	\$20 million +	
Alternative Return	0.50%	0.40%	0.40%	
Alternative Return & Income	0.50%	0.40%	0.40%	
Small Cap Growth	0.85%	0.75%	0.65%	
SMID Growth – Concentrated	0.85%	0.75%	0.65%	
SMID Core	0.80%	0.80%	0.80%	
Global Small Cap	0.90%	0.90%	0.90%	
Opportunistic All Cap	0.80%	0.80%	0.80%	
	\$0-\$499,999	\$500,000 - \$5 million	\$5 million - \$10 million	\$10 million +
Kingsland Long-Term Growth	1.5%	1%	0.90%	0.75%
Kingsland Sustainable Growth	1.5%	1%	0.90%	0.75%
Kingsland Comprehensive Growth	1.5%	1%	0.90%	0.75%
Kingsland Balanced Growth	1.5%	1%	0.90%	0.75%
Longfield	0.60 %	0.60 %	0.60 %	0.60 %
	\$0 - \$50,000,000	\$50,000,001 +		
SAM	.75%	.60%		

Minimum investment amounts vary depending on advisory and portfolio management services, as well as investment strategy and vehicle. If the Advisory Agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in a quarter for which one is a client.

General Fee Information: Although we have established the above fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include, among other things, the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports. The annual fee schedule applicable to each client is identified in the Investment Advisory Agreement between SRAM and the client.

Our management fees are billed quarterly in arrears, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of

the client's average ending account balance for the last three months. Fees will be invoiced or debited from clients' accounts in accordance with their authorization in the Advisory Agreement. Further, the qualified custodian will deliver an account statement to client's at least quarterly. These account statements will show all disbursements from an account. We encourage clients to review all statements for accuracy.

SR Alternative Credit Strategy

With respect to the Credit Funds, SRAC generally receives a monthly asset-based Management Fee in a range of 1.5% to 1.75% per annum of the relevant Credit Fund's net assets. With respect to the PFM Credit Fund, SRAC generally receives a monthly asset-based Management Fee at a rate 1.5% per annum of the net asset value of the relevant Credit Fund. With respect to OHP II LP and OHP Ltd., SRAC receives 1.5% per annum on the net assets. OHP Ltd. has a Special Investment share class which does not pay management fees. With respect to OHPC LP, SRAC receives 1.75% per annum on the net assets.

With respect to OHP II and OHP Ltd., SRAC may receive a 15% Performance Allocation on all realized net profits that exceed 7% on a cumulative basis. With respect to the PFM Credit Fund, SRAC receives a Performance Fee of 20% of the excess of the net capital appreciation allocable to investors' interests during a fiscal year over a 3% net return per annum, subject to a loss-carryforward provision. It should be noted that an investor's initial "performance period" is a period which commences as of the date of the purchase of such investor's interest/shares in the relevant Credit Fund and ends as of the close of business on the last business day of the same calendar year or the withdrawal/redemption date of such investor's interests/shares, whichever occurs first. Each "performance period" thereafter with respect to such investor will generally coincide with the end of the calendar year or the withdrawal date of such investor's interest/shares, whichever comes first.

With respect to OHPC, during any fiscal year SRAC may receive a 15% Performance Allocation on all realized net profits that exceed 7% hurdle amount. It should be noted that that in any fiscal year when the amount of realized net profits of the Fund exceeds a rate of return of 10%, the incremental realized net profits in excess 10% will be re-allocated to the basic capital account of the General Partner at the end of such fiscal year until such time as the General Partner has received 15% of the total realized net profits. Once the General Partner has received 15% of the total realized net profits for the year, 15% of the remaining realized net profits will be re-allocated to the capital account of the General Partner at the end of the fiscal year.

Fees paid to SRAC by Managed Accounts utilizing the SRAC Credit Strategy will be individually negotiated with each account and may include management and/or performance-based fees. SRAC currently has two Managed Accounts utilizing the SRAC Credit Strategy.

Fees vary by Credit Fund. It is critical that prospective investors refer to the relevant Credit Fund's offering documents for a complete understanding of how SRAC is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Credit Fund's offering documents.

SAM Strategies

Portfolio Management Fee

Generally, the SAM strategies annual management fee is .75% up to \$50,000,000 and .60% for amounts higher than \$50,000,000 (the “SMA Management Fee”) for separately managed account clients. The SMA Management Fee is paid quarterly in arrears. Generally, fees are withdrawn directly from client accounts with the client’s written authorization. The Firm may, in its sole discretion, elect to reduce or waive the SMA Management Fee with respect to any client.

Performance Fee

Certain qualified clients pay an annual performance fee based on capital appreciation, which may include a lower annual SMA Management Fee. Generally, for qualified clients, our performance-based fee is 10.0% to 30.0%. If your portfolio drops in value, you will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.”

These fees are negotiable and the final fee schedule is attached as a schedule of the Investment Advisory Contract. Clients must pay the prorated performance fee for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination. Fees are paid quarterly in arrears.

Shared Third-Party Fee

SMA clients may be directed to the SAM Strategy by a third-party investment adviser. The Adviser will be compensated via a fee share from the advisers to which it is directed those clients. The fees shared are negotiable and will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser. Generally, the Adviser will receive 0.75% and the third-party will receive 0.25%. In one case, the Adviser has received 0.5% and the third-party has received 0.5%. Any fee sharing arrangement will be noted in your Investment Advisory Contract. Fees are paid quarterly in arrears.

Other Expenses

SMA clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by the Adviser.

Advisory Services to Pooled Investment Vehicles

SRAM charges the Private Funds an investment management fee for its services. The fees are calculated and payable monthly or quarterly in advance or arrears depending on the fund. The management fee ranges from .4% to 2.0%. The Private Funds may enter into side agreements and negotiate fees according to any specific terms as outlined in the side agreement. These fees may be lower than the management fees, and/or include performance fees, as disclosed in the offering documents and payable pursuant to the Partnership Agreement. Additionally, distributions to investors in the Private Funds are typically subject

to some form of carried interest or similar profit allocation for the benefit of one or more of SRAM's affiliates. For more information, please see Item 6 (Performance-Based Fees and Side-By-Side Management).

Fees are generally paid by or on behalf of Funds by requiring the investors in the Funds to make a capital contribution in respect of such fees. Fees paid by Funds may, as described in the governing documents for the Funds, require a minimum capital commitment from all investors. Fees paid by the Funds are deducted from accounts by the General Partner and paid to SRAM.

In addition to the advisory fees paid by the Private Funds, the Private Funds may incur other expenses in connection with portfolio investments such as travel expenses incurred by SRAC employees and others for attending meetings of the portfolio investments, third-party expenses incurred in connection with the operation of the Private Funds or the investment portfolio. These third-party fees may include the costs and expenses related to the purchase, evaluation of, holding and sale of portfolio investments (to the extent not reimbursed or subsidized); expenses of any agents, custodians, counsel and accountants (including audit, tax preparation and certification fees); any insurance, indemnity or litigation expenses, certain taxes, fees or other governmental charges levied against the Private Funds; out-of-pocket expenses and other extraordinary expenses associated with the management or offering of the Private Funds. All such fees are discussed in the governing documents for each of the Private Funds.

Each Credit Fund, except PFM Credit Fund, will generally pay its own brokerage and other transaction fees and costs. In addition, each Credit Fund will pay its administrator's, director's, accounting agent's, auditor's and custodian's fees and the administrative, accounting, legal and operational expenses and costs. Such fees, costs and expenses will be charged on a pro rata basis to each investor in such Credit Fund. PFM Credit Fund will generally pay: (i) their organizational expenses up to the greater of \$87,500 and \$175,000, respectively, or 50 basis points of the total amount of capital commitments of all investors in the respective Credit Fund, (ii) all ongoing costs and expenses associated with the respective Credit Fund's administration and operation up to the greater of \$87,500 and \$175,000, respectively, and (iii) all investment expenses.

For all Private Funds, the investment advisory fee may be reduced by a percentage of transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees, or other similar fees earned by the Fund's general partner or adviser as a result of services performed by it for the benefit of the Fund or a Fund's portfolio company, net of out-of-pocket expenses incurred in connection with the fees.

There may be other fees and expenses as well depending upon the particular investments of each Fund. Investors and prospective investors in the Funds should review offering documents for any particular investment carefully before investing.

Fees and Compensation Matters Across all SRAM Advisory Activities

Termination of the Advisory Relationship. An Advisory Agreement may be canceled at any time, by either party, for any reason upon receipt of thirty (30) days written notice. You will incur a pro rata charge for services rendered prior to the termination of the Advisory

Agreement, which means you will incur advisory fees only proportion to the number of days in the month for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Fees and Expenses. In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and securities transaction fees and ticket or clearing charges imposed by executing broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s).

Grandfathering of Minimum Account Requirements. Pre-existing advisory clients are subject to Adviser's minimum account requirements and advisory fees that were in effect at the time the client entered into the Advisory Agreement. Therefore, our minimum account requirements may differ among clients.

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

Performance-based fees or carried interest profit allocations are subject to regulation under Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). SRAM seeks to ensure that any client or investors in a Private Fund that are directly or indirectly assessed performance-based fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 and have been advised of such fees or allocations and their risks.

Clients may be charged performance-based fees. The performance-based fees will not exceed 30% of profits and are subject to certain preferred return hurdles. The performance-based fees or carried interest allocations are paid to the general partner of the relevant Private Fund. The manner of calculation and the application of performance-based fees or carried interest profit allocations are disclosed in the governing documents for each of the Private Funds which are charged such fees. The Private Funds may enter into side agreements and negotiate carried interest profit allocations that may be lower or higher than the carried interest profit allocations as disclosed in the offering documents.

The Adviser understands that there exist certain potential conflicts of interest associated with managing accounts that are billed on performance-based fees and accounts not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because the Adviser or its supervised persons have an incentive to favor accounts for which the Adviser and its supervised persons receive a performance-based fee. The Adviser addresses the conflicts by ensuring that clients who have performance-based accounts do not receive preferential treatment. The Adviser provides best execution practices and upholds its fiduciary duty for all clients.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Management of accounts according to different investment strategies can create conflicts of interest because investments for one strategy may negatively affect investments for another. For example, a short sale of a security for accounts that permit short selling could decrease the value of that security in other accounts that prohibit short selling.

OHP Ltd. has one illiquid investment that has been designated a Special Investment for which SRAC receives performance-based compensation only upon its sale or deemed realization, which creates a potential conflict of interest as SRAC may have an incentive to delay the realization of an illiquid investment.

ITEM 7: Types of Clients

We provide advisory services to the following types of clients:

- Individuals including high net worth individuals
- Institutions
- Corporates
- Pooled Investment Vehicles
- Investment Advisors
- Family Offices
- Pension plans
- Charitable, non-profit organizations

At a minimum we require of \$250,000 to open and maintain an advisory account, but certain investments have higher minimums. For the SAM Strategies, the minimum amount to open a separately managed account is \$1,000,000. However, at our discretion, we may waive these minimum account sizes. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Methods of Analysis

Fundamental analysis: We concentrate on factors that determine a company's value and expected future earnings. This would normally encourage equity purchases in undervalued stocks or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Loss Analysis: We also utilize software tools from providers such as FactSet, Bloomberg and Reuters in our assessments of risk/loss. We also rely on a variety of information sources to assist us with our analysis. These sources include information from several news outlets including newspapers, periodicals and websites. We use various methods of analysis when providing investment management services to our clients of segregated accounts and pooled Funds. These include, but are not limited to, the following methods:

Quantitative Analysis: We use mathematical models to analyze an investment(s) merit with respect to market risk factors to identify or exploit exposure within these factors. Such analysis may include but are not limited to financial analysis of corporations both public and private, asset coverage analysis, cash flow analysis, historical return regression analysis and/or factor-based analysis as appropriate.

Qualitative Analysis: We subjectively evaluate an investment(s) merit based on the managers collective experience, impact of various market risk factors, as well as other risk factors that are not readily subject to measurement.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate count and weighting of securities, as well as ratios to cash suitable to the investment goals and risk tolerance of an investment strategy and its clients. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the investment goals.

Additional Forms of Analysis: We may also rely on the following methods:

- Attribution analysis
- Downside risk, distribution analysis
- Analysis of factor and style exposures and drift
- Analysis of diversification within the portfolio
- Analysis based models
- Analysis of exposures to major economic factors, such as Equity Risk, Credit Risk, Trend Following, and Duration
- Analysis of return distributions, incorporating non-normal return moments

Portfolio Management Strategies

Listed below are a number of strategies employed to manage clients assets. In all instances, the strategy employed must be appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons. Other considerations that may be factored in include taking into account the expected performance of various sub-strategies and the impact of the overall portfolio objective:

SRAC Credit Strategy

The primary investment objective of the SRAC strategy is to generate current income and preserve capital, primarily by originating and investing in senior secured asset-backed loans. The Investment Manager may utilize structures such as senior secured term loans, senior secured revolving loans, direct purchases of assets or other hybrid structures, and may acquire, invest in, accept investments in-kind from (in exchange for Interests), merge with or otherwise engage in transactions with entities that utilize such structures. These structures generally replicate the risk and return profile of senior secured loans. The Investment Manager may also invest a portion of the Fund's assets in mezzanine or other non-senior debt structures and may acquire, invest in, accept investments in-kind from (in exchange for Interests), merge with or otherwise engage in transactions with entities that utilize such structures. The Investment Manager may invest the Fund's assets in indices and exchange-traded funds ("ETFs") for hedging purposes and may also opportunistically invest in public equity securities, such as business development companies ("BDCs"), from time to time that, in the Investment Manager's view, provide exposure to credit markets. SRAC expects to fund small and medium size obligors, and has a particular appetite for consumer and commercial finance assets and asset-backed loans. The Fund will generally target financings of \$10 million to \$50 million in the form of term loans, revolving credit and draw facilities or combinations thereof. Investments are expected to be made to borrowers in a variety of industries, typically with coupons of eight percent (8%) to fifteen percent (15%) and, at times, also include profit participation and/or other equity consideration. SRAC generally expects to make loans that have a maturity of one to five years and have advance rates on collateral typically ranging from thirty-five percent (35%) to eighty-five percent (85%) of the collateral value.

Risk of Loss

Investing in securities involves a risk of loss that clients should be prepared to bear. An investment in the segregated accounts, external accounts and pooled Funds is speculative and involves substantial risks, including the risk of loss of your entire investment. These risks also include, but are not limited to, the speculative nature of allocating assets to Portfolio Managers and the substantial charges that a pooled Fund will incur, regardless of whether any profits are earned.

Our approach to investment management and our strategies is to manage risk through portfolio diversification, thoughtful use of leverage (if any), a move to increased cash levels when there are no attractively priced investment opportunities and in some cases, selective shorting or market hedging. The particular risk factors applicable to the securities held by the our investment strategies include, but are not limited to, the following:

- Market Risk. Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk. Economies and financial markets throughout the world are becoming increasingly interconnected which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.
- Emerging Markets. Clients may from time to time invest a portion of its assets in securities issued by companies located in emerging market countries. The securities markets of emerging market countries as a whole have been volatile and the securities of issuers in emerging markets tend to be subject to abrupt or erratic price movements. Investing a significant portion of clients' assets in issuers in emerging markets will make clients susceptible to a greater degree than otherwise would be the case to factors affecting emerging markets in general and issuers in emerging markets included in clients' portfolio in particular, and may increase the volatility of the value of clients' portfolio investments.
- Management Risk. The success or failure of our investment portfolio management will vary with the outcome of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the values of the investment will decrease.
- Selection Risk. An investment model that invests in actively managed mutual funds may underperform because of a fund manager's incorrect judgment about the attractiveness, value and potential appreciation of a particular issuer's securities.
- Diversification Risk. Certain investment models and underlying funds may be non-diversified. These investment models and underlying funds may invest a greater percentage of their assets in a single fund or securities of a single issuer and in a relatively small number of issuers. These investment models and underlying funds are more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio. Some of those issuers may also present substantial credit risk.
- Equity Risk. Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid- cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies.
- Small- and Mid-Capitalization Risk. Small- and mid-capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies, and may underperform other segments of the market or the equity market as a whole. Securities of small- and mid-capitalization companies generally trade in lower volumes, are often more vulnerable to market volatility, and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole.

- Fixed Income Risk. The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security may decline because investors demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- Mutual Fund Risk. Open-end and closed-end mutual funds and ETFs invest in a broad range of equity and fixed income securities, including foreign securities and securities of issuers located in emerging markets. Underlying funds may also invest in equity securities of any market capitalization including micro-, small- and mid- cap companies, real estate, commodities-related assets, fixed income securities of any maturity or credit quality, including high-yield, high-risk debt securities, and they may engage in leveraged or derivative transactions. We have no control over the investment strategies, policies or decisions of the underlying funds and, in the event of dissatisfaction with such a fund, our only option would be to liquidate clients' investments in that fund. Mutual funds and ETFs charge their own management fees and expenses, which may be duplicative, and adversely affect investment returns.
- Municipal Securities Risk. Municipal securities carry different risks than those of corporate government and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer are domiciled U.S. Government Securities. We may recommend securities issued by the U.S. Government and by U.S. Government agencies and instrumentalities. Only U.S. Government securities are supported by the full faith and credit of the United States.
- Alternative Investments Risks. Hedge funds, as well as private equity, venture capital, private real estate and other private partnerships typically engage in highly speculative trading strategies. These private funds are illiquid, their assets may also be illiquid and their performance results can be extremely volatile. Alternative funds may use fair valuation techniques, which are subjective, and there is no guarantee that the client would realize proceeds equal to fair value upon the sale of a security. Investments in alternative funds are illiquid, and the assets of the funds also may be illiquid. Private funds typically charge higher management fees and performance fees, and these funds also incur their own operating expenses, which may be substantial.
- Hedging Transactions Risks. Certain investment strategies may make use of a variety of financial instruments, such as short sales, derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against declines in the values of their portfolio positions as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events.
- New Issues Risk. A portion of the Funds' return may be derived from investments in securities issued in an initial public offering. Partners who, as a result of FINRA Rule 5130

regarding “hot issues,” are not eligible to hold an interest (directly or indirectly) in a new issue will not be entitled to any interest in a new issue that the Funds may acquire.

- Short Selling Risk. Certain investment strategies may engage in short selling. Short selling involves the borrowing and subsequent sale of securities. Securities borrowed must be returned to the lender, typically on demand. While the use of borrowed funds and short sales can substantially improve the return on invested capital, their use may also increase any adverse impact to which the investments of a Portfolio Fund may be subject. There is a risk that short positions may be required to be prematurely closed out or that securities are not available for purchase at all or at favorable prices when they are required to be returned. Losses on securities sold short can increase rapidly and are theoretically unlimited.
- Use of Leverage Risk. Certain investment strategies will utilize leverage. Such strategies may utilize leverage to a degree which is not limited to any predetermined level but will be subject to applicable legal and broker-dealer imposed leverage limitations. Leverage may be achieved in numerous ways, including through margin borrowings, structured financings, and the use of synthetic instruments and derivatives. While the use of leverage can enhance returns under certain circumstances, it also exposes clients to greater losses from investments than would otherwise have been the case had leverage not been used. The use of leverage also subjects clients to the risk of default and the potential material adverse consequences to the client of a default.
- Derivatives Risk. The Private Funds may invest in complex derivative instruments which seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. Derivatives typically involve highly-leveraged exposure to underlying reference assets from which their value, at least in part, is derived. Accordingly, these instruments bear the risk inherent in the use of leverage generally, including the risk of default and collateral posting requirements, and are also exposed to the risks of the referenced asset or assets.
- Futures Risk. Futures markets are highly volatile. To the extent the Funds engage directly or indirectly in transactions in futures contracts and options on futures contracts, the profitability of the Fund will depend to some degree on the ability of the Portfolio Manager to analyze correctly the futures markets, which are influenced by, among other things, changing supply and demand relationships, governmental policies, commercial and trade programs, world political and economic events, and changes in interest rates.
- Options Transaction Risk. The purchase or sale of an option by the Private Funds involves the payment or receipt of a premium by the investor and the corresponding right or obligation to either purchase or sell the underlying security or other instrument for a specified price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security in excess of the premium payment received. Selling a call option on an underlying security generally exposes a client to losses that may be theoretically unlimited.

- Forward Contracts Risks. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized. Instead, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable.
- Foreign Investment Risks. Investment in securities of non-U.S. companies and futures or other derivative contracts outside of the U.S. may be subject to greater risks than purely domestic investments for a variety of reasons, including currency controls, the fluctuation of currency exchange rates, and changes in monetary systems, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations.
- Analytical Risk. Our securities analysis methods rely on the assumption that the companies whose securities we recommend, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. There is always a risk that our analysis may be compromised by inaccurate or misleading information.
- General Risks of Lending. The value of the Credit Funds’ investments in debt instruments may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting on a defaulted instrument. SRAM may attempt to minimize this risk by maintaining low loan-to-liquidation values with each loan and the collateral underlying the loan. However, there can be no assurance that the value assigned by SRAM to collateral underlying a debt instrument held by the Credit Funds will be realized upon liquidation, nor can there be any assurance that collateral will retain its value. In addition, certain debt instruments may be supported, in whole or in part, by personal guarantees made by the borrower, or guarantees made by a corporation or other person affiliated with the borrower. The amount realizable with respect to a debt instrument may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. Moreover, the value of the collateral supporting such debt instrument may fluctuate. In addition, active lending/origination by the Credit Funds may subject it to additional regulation, as well as possible adverse tax consequences to the Credit Funds and/or their investors. SRAM will seek to adopt appropriate procedures to minimize such risks. Finally, there may be monetary, as well as time costs involved in collecting on defaulted debt instruments and, if applicable, taking possession of and subsequently liquidating various types of collateral.
- Investment in Middle-Market Businesses Involve a Number of Significant Risk. Investment in middle-market companies is highly speculative and involves a high degree of risk of credit loss, and therefore an investment in the Credit Funds may not be suitable for prospective investors with a low tolerance for risk. These risks are likely to increase during an economic recession.

- Long Term Trading. Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

When the Credit managers, their respective Funds they manage and/or its corresponding investors/clients, invest in certain debt instruments, they may acquire warrants or other equity securities as well. The Funds' goal is ultimately to dispose of such equity interests and realize gains upon its disposition of such interests. However, equity interests that are received by corresponding investor may not appreciate in value and, in fact, may decline in value. Accordingly, a corresponding investor/client may not be able to realize gains from its equity interests, and any gains that it does realize on the disposition of any equity interests may not be sufficient to offset any other losses such corresponding investor/clients experiences, which may have a material and adverse effect on such Credit Fund's operating results.

- Litigation and Collection Costs. Should the Fund or the Investment Manager need to collect on a defaulted loan, litigation could result. There is a high cost associated with any litigation and the results of litigation are always uncertain. Even before litigation is commenced, the Fund could experience substantial costs in trying to collect on defaulted investments, such as legal fees, collection agency fees, or discounts related to the assignment of a defaulted loan to a third-party. In the case of cash flow constraints, Investors may be asked to contribute additional capital or the Investment Manager may seek third-party financing alternatives.
- Bank Loans and Participations. The Fund may invest in bank loans and participations. The special risks associated with these obligations include the possible invalidation of a transaction as a fraudulent conveyance under creditors' rights laws, lender-liability claims by the issuer of the obligations, environmental liabilities that may arise with respect to collateral securing the obligations, and limitations on the ability of the Fund to directly enforce its rights with respect to participations.

The Fund may participate in loans originated by third-party lenders. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that the third-party may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action of its co-lenders. In addition, the Fund may be liable for actions of its co-lenders. When the Fund engages in such indirect investments, fees may be payable to such third parties by the Fund, in addition to the fees already payable to the Investment Manager by the Fund.

- Lower Credit Quality Loans. There are no restrictions on the credit quality of the Fund's loans. Loans arranged by the Fund may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain loans may have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher potential return than better-quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of these loans also tend to be more sensitive to changes in economic conditions than better-quality loans.

- Lower-Rated Debt and Preferred Securities. The Fund may invest in debt instruments which are non-rated debt instruments and securities. Debt instruments and securities which are non-rated may be subject to greater risk of loss of principal and interest than rated and comparable non-rated debt and are generally considered to be predominantly speculative with respect to the issuers capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than debt instruments with ratings and comparable non-rated debt instruments in the case of deterioration of general economic conditions. The market for non-rated debt instruments is thinner, often less liquid and less active than that for rated and comparable non-rated debt instruments, which can adversely affect the prices at which such debt instruments can be sold and may even make it impracticable to sell such debt instruments. In the case of any defaults the Investment Manager may be forced to foreclose on the assets of the borrower and be an equity owner of such investment. These workout situations may occur privately in out-of-court restructurings or in formal bankruptcies.
- Target Market. The Fund expects to invest its assets in loans secured by various forms of collateral which will tend to have collateral value of less than \$100 million. While the Investment Manager believes these investments often provide a sufficient margin of safety to a lender, investment in such loans may involve higher risks than investing in loans to larger borrowers or larger pools of assets.
- Non-performing Nature of Debt. Certain debt instruments purchased by the Fund may be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to these loans.
- Liquidity. Loans and interests in loans have significant liquidity risks and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly-traded securities.
- Fraud. Of paramount concern in loan investments is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Fund to perfect or effectuate a lien on the collateral securing the loan. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.
- Prepayment. The ability of an issuer of a debt security to repay principal prior to the instrument's maturity can limit the potential for gains.
- Environmental Risks. The underlying collateral of the Fund's investments may also be subject to numerous statutes, rules and regulations relating to environmental protection, under which the Fund, in the event it has foreclosed on a mortgage, may be liable for non-compliance with applicable environmental and health and safety

requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. The Fund may be exposed to substantial risk of loss from environmental claims arising in respect of such underlying collateral in the event of foreclosure.

- Reliance on Management to Service Collateral. While it is the Investment Manager's intent to invest in loans secured by assets which have established servicers and management in place, there can be no assurance that such management will continue to operate successfully. Although the Investment Manager will monitor the performance of each underlying loan, the Fund will rely on existing management to service collateral. Further, the Fund will likely not be able to exercise influence over collateral unless such collateral is foreclosed upon.

General Risk Factors

Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment portfolios and/or our business. These types of outbreaks have the potential to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions also have the potential to lead to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that we or our service providers will be able to maintain normal business operations for an extended period of time or will be able to retain the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impact of a pandemic or disease outbreaks is unknown, which could result in a high degree of uncertainty for potentially extended periods of time.

ITEM 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor or potential investor's evaluation of SRAM or the integrity of SRAM's management.

Blakely Page entered into a Letter of Acceptance, Waiver, and Consent ("AWC") with the Financial Industry Regulatory Authority, Inc. ("FINRA") on May 20, 2022. According to the allegations contained in the AWC, Mr. Page made material misrepresentations to investors in a feeder hedge fund he formed based on significantly overstated performance results provided by an unaffiliated master hedge fund. Mr. Page did not personally and independently verify the accuracy of those performance results because he relied on others to do so. The AWC states that seven investments, totaling approximately \$1.7 million, were made in the feeder fund; the feeder fund redeemed its investors' investments, and the investors received full redemptions. The AWC alleges that, by making negligent misrepresentations of material fact to prospective investors, Mr. Page violated FINRA Rule 2010. Mr. Page consented to a six-month suspension from association with any FINRA member in all capacities and a \$5,000 fine. Mr. Page neither admitted nor denied the allegations in the AWC.

ITEM 10: Other Financial Industry Activities and Affiliations

Affiliated Entities Under Common Control with SRAM

Spouting Rock GP, LLC

As noted in Item 4 (Advisory Services), Spouting Rock GP, LLC is the sole general partner of Longmark Partners, LP, Spouting Rock I LP, Series A (Hazeltree Fund Service, Inc.) and Spouting Rock I LP, Series B (Qarma Systemic Emerging Markets Equities Fund LP).

The referral arrangements we have with our affiliated entities present a conflict of interest because we have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

Additional Associated Firms

- SR Alternative Credit: aims to create customized, structured transactions tailored to meet the needs of each borrower, yet also developed with a keen focus on collateral coverage, due diligence and risk modeling. Funds include: OHPC LP, OHP Ltd, OHPC II LP and PFM Recovery Fund I, LLC.
- Alquity Investments: a responsible investment manager who links listed equities and impact investing. In addition to SRAM investing into the UK parent entity, SRAM and Alquity formed a joint venture to distribute Alquity's emerging markets and global equity strategies in the US and Canadian markets.
- Glovista Investments: leverages global-macro (top-down) analysis combined with bottom-up quantitative protocols to manage listed portfolios for investors. Glovista manages strategies on behalf of institutional and high net worth clients such as state and municipal pension funds, endowments, RIAs and family offices.
- Kingsland Investments: specializing in growth equities with a long-term investment approach that focuses on identifying and owning next-generation publicly traded growth companies.
- Penn Capital Management: manages multiple investment styles that leverage coverage of publicly traded companies in the micro- to mid-capitalization range, as well as companies that issue non-investment-grade debt.
- Stewart Asset Management: provides investment advisory services to a Luxembourg registered open-ended investment company.

ITEM 11: Code of Ethics

We have adopted a Code of Ethics that governs the management of potential conflicts of interest that we may have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client and to instill a culture of compliance across our firm. The Code of Ethics is structured to comply with Rule 204A-1 of the Investment Advisers Act. An additional purpose of our Code of Ethics is to detect and prevent violations of securities laws, including the fiduciary obligation we owe to our Clients. Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter. We also supplement the Code of Ethics with annual training and on-going monitoring of employee trading activity.

You may request a complete copy of our Code of Ethics by contacting us at the address, telephone or email on the cover page of this Brochure.

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one fund or other account. Where conflicts of interest arise between our Funds and other accounts managed by our portfolio manager(s), we will proceed in a manner that ensures that our Funds will not be treated more or less favorably. There may be instances where similar portfolio transactions may be executed for the same security for numerous accounts managed by the portfolio managers. In such instances, securities will be allocated in accordance with our trade allocation policy.

Certain advisory clients of SRAM are owners of debt instruments issued by the parent company of SRAM, Spouting Rock Financial Partners, LLC. This may present a conflict of interest as SRAM may have an incentive to favor these clients ahead of other clients. To mitigate this conflict of interest, SRAM does not place any trades individually for certain clients, rather all trades are handled the same for all clients across the entire portfolio.

Personal Trading Practices

Our firm, or persons associated with our firm, may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

ITEM 12: Brokerage Practices

We maintain relationships with several broker-dealers. To the limited extent that we engage in transactions other than investments with investment managers, we have the authority to determine the financial intermediaries to be used in connection with the transactions and to negotiate the amount of commission or other compensation to be paid to such intermediary. We negotiate such compensation on a case-by-case basis and do not seek to obtain products, research or other services, other than transactional services, from such intermediaries.

We will take into account a number of factors when choosing intermediaries. These factors include, among other things, commission rates and other transactional charges, the intermediary's financial strength, stability, responsibility, reputation, reliability, responsiveness, ability to execute trades, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, efficiency of execution, and error resolution. Accordingly, transactions may not always be executed at the lowest available price or commission.

Soft Dollar Benefits

Research products and services paid for with soft-dollars are generally of the type described in Section 28(e) of the Securities and Exchange Act of 1934. These products and services provide assistance to us in the performance of our investment decision-making responsibilities and are designed to augment our own internal research and investment strategy capabilities.

We receive both proprietary and non-proprietary research, and these services include a wide variety of written reports on individual companies and industries, current and historical statistical information, comparative performance evaluation, technical measurement data, general economic data, information on federal and state legislative developments, and changes in accounting practices. These services may also include direct access to research analysts, corporate management personnel, industry experts, and economists.

These research services are used to carry out our investment management responsibilities across all Funds. Accordingly, we seek to allocate soft dollar benefits specifically to the credits those funds generate.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Some clients, when undertaking an advisory relationship, may already have a pre-established relationship with a broker-dealer. Therefore, the client may instruct SRAM to execute all transactions through that broker-dealer. If the client directs SRAM to use a particular broker-dealer, the client recognizes that SRAM will likely have no authority to

negotiate commissions, to obtain volume discounts and best execution may not be achieved. Under these circumstances, there may be a disparity in commissions charged among SRAM clients. A potential conflict of interest may arise from such referrals and directed brokerage relationships.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day.

With respect to the SRAC Credit Strategy, SRAC recognizes its duty to obtain "best execution" for its Clients. The Credit Funds generally invest in private credit transactions for which there is no wide market. SRAC, therefore, is usually limited in the selection of brokers, bankers and other deal introducing agents. Because of the nature and limited market of the transactions in which the Credit Funds invest, it is often impracticable for SRAC to solicit competitive bids.

ITEM 13: Review of Accounts

We review all Client accounts on a periodic basis using various forms of reporting that are available.

Individual Client accounts receive trade confirmations and monthly or quarterly statements from account custodian(s).

The Private Funds are audited on an annual basis by an independent public accounting firm. Fund investors generally receive (i) audited annual financial reports, (ii) unaudited quarterly or annual financial reports, as applicable, and (iii) annual tax information for the completion of tax returns. In addition to the information provided to all investors, SRAM may provide certain investors with additional information or more frequent reports that other investors will not receive, possibly enabling such investors to better assess the prospects and performance of the Private Funds. In addition, investors may be provided with information about SRAM and the Private Funds in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other investors and prospective investors who do not request such information. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by SRAM is sufficient for its needs.

ITEM 14: Client Referrals and Other Compensation

SRAM, SRAC and its affiliates have written compensation arrangements for soliciting SRAM advisory services and private investment funds. Pursuant to these agreements, SRAM, SRAC or its affiliates pay the referring party a percentage of the investment advisory fee and/or performance-based fee collected by SRAM or SRAC from the client. Clients referred through such arrangements receive from the promoter a copy of this Brochure and a copy of a disclosure document describing the terms and conditions of the solicitation arrangement, including the compensation paid to the promoter. Generally, the compensation paid to the promoter is based upon the revenue generated by client accounts referred by the promoter. Promoters have an incentive to recommend SRAM or SRAC investment management services because of the ongoing fees they receive from SRAM or SRAC. The arrangements have no effect on the gross fee charged to the client and comply with all relevant federal and state securities laws, including Rule 206(4)-3 under the Advisers Act.

ITEM 15: Custody

In arrangements where we are permitted and authorized to do so, we will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts would cause our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at the phone number listed on the cover of this brochure.

SRAM and certain affiliates use third party unaffiliated custodians to hold the funds and securities of the Private Funds in accordance with current SEC rules and regulations. Although SRAM is deemed to have custody of underlying assts of the Private Fund, SRAM relies upon the “pooled investment vehicles” exemption from reporting and surprise examinations. Accordingly, the Private Funds are subject to a year-end audit by a public accounting firm and audited financial statements of the Private Funds are provided to limited partners of the Private Funds within 120 days of the end of the fiscal year. SRAM and its affiliates have also arranged for all the Private Fund’s cash and securities (other than privately offered, un-certificated securities with limited transferability) to be held with qualified custodians.

SRAM does not expect that investors of PFM Credit Fund will be provided with audited financial statements. Accordingly, SRAM will ensure that (i) PFM Credit Fund undergoes an annual surprise examination by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board to verify fund assets, and (ii) the qualified custodian sends an account statement, at least quarterly, to each investor identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period.

SRAM may use additional qualified custodians in the future.

ITEM 16: Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular security or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

If you enter into a non-discretionary arrangement with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

ITEM 17: Voting Client Securities (i.e., Proxy Voting)

SRAM has adopted a written proxy voting policy (the “Proxy Policy”) as required under the Advisers Act. Some clients contractually reserve the right to either vote their own proxies or direct SRAM to vote their proxies in a certain manner. If a client does not grant voting authority to SRAM and wishes to vote its own proxies, that client would be responsible for arranging delivery of proxy materials from the client’s custodian or the relevant transfer agent. For clients that give SRAM the right to vote proxies, SRAM has adopted a Proxy Voting Policy and generally will exercise authority to vote proxies related to securities held in client accounts on behalf, and in the best interests, of its clients. SRAM votes proxies based on a client’s instruction, or a client’s legal structure (e.g., an ERISA-covered pension plan).

SRAM uses Broadridge Financial Solutions’ ProxyEdge. (“ProxyEdge”), an independent third-party proxy voting platform, to provide proxy research and voting recommendations based on objective analysis. SRAM will consider recommendations from ProxyEdge as part of its ultimate decision-making process, but will exercise its independent judgment in making voting decisions. SRAM reserves the right to vote contrary to ProxyEdge recommendations in the event that SRAM determines that such vote is in the client’s best interest.

Conflicts of interest will be resolved in favor of the clients’ interests. The CCO is responsible for resolving potential conflicts of interest in the proxy voting process. Examples of potential conflicts of interest include: (1) SRAM or its principals have a business or personal relationship with participants in a proxy contest, corporate directories or candidates for directorships; (2) SRAM or its principals have a material business relationship with a proponent of a proxy proposal and this business relationship could influence how the proxy vote is cast. When a potential material conflict of interest exists, SRAM will obtain client consent before voting. SRAM will provide the client with sufficient information regarding the potential conflict, so the client can make an informed decision whether to consent. By following the Proxy Policy and the guidelines of ProxyEdge, an independent third party, SRAM seeks to mitigate potential conflicts of interest SRAM could have with respect to voting proxies.

Broadridge Proxy Edge, an automated voting system provided by Broadridge, is used to vote proxy ballots electronically. Broadridge also maintains records on proxy votes for each client, or group of clients. Additionally, SRAM manually votes proxies in certain limited situations. SRAM can determine to not vote a proxy if it is not practicable to do so or if it determines that the potential costs involved with voting a proxy outweigh the potential benefits to the client whose account owns the underlying security. Furthermore, there could be times when refraining from voting a proxy is believed to be in a client’s best interest.

Clients can submit a written request for a copy of SRAM’s “Proxy Voting Policy” or the proxy-voting history for their account(s), free of charge.

ITEM 18: Financial Information

The Investment Advisers Act of 1940 requires a registered investment adviser to disclose to current and prospective clients if the adviser's financial condition is reasonably likely to impair its ability to meet its contractual commitments to its clients. Although the Investment Advisers Act of 1940 does not specifically articulate the breadth of this analysis, certain facts are presumed material, including illiquidity, insolvency, pending bankruptcy, and similar circumstances that would likely have a material effect on the Adviser's ability to operate. The Adviser has conducted an assessment of its current financial condition and has concluded that its current financial condition could impair its ability to meet its contractual commitments to its clients.

The Firm will be promptly communicating with its clients to work on an orderly transition of their accounts to certain of the Adviser's affiliated investment advisers, potentially sell some of the assets to non-affiliated Adviser's, or, in the alternative, a redemption of their accounts.

The Firm has not been the subject of a bankruptcy petition in the past ten years.

ITEM 19: Requirements for State Registered Advisers

We are registered with the SEC as an investment adviser; thus this section is not applicable.