

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

LADDER CAPITAL ASSET MANAGEMENT LLC

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This Investment Adviser Brochure (“this Brochure”) provides information about the qualifications and business practices of Ladder Capital Asset Management LLC, a Delaware Limited Liability Company (“LCAM”). If you have any questions about the contents of this Brochure, please contact LCAM’s Chief Compliance Officer at 212-715-3170. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

LCAM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding LCAM is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

There have been no material updates to this Part 2A since the last update to this brochure was filed on March 6, 2023. We routinely make updates throughout the brochure to improve and clarify the description of our business practices, and compliance policies and procedures, as well as to respond to evolving industry best practices. Although these changes may not be material, please review this brochure carefully and in its entirety.

ITEM 3: TABLE OF CONTENTS

Item 2: Material Changes.....	1
Item 3: Table of Contents.....	2
Item 4: Advisory Business	3
Item 5: Fees and Compensation.....	3
Item 6: Performance-Based Fees and Side-By-Side Management	4
Item 7: Types of Clients.....	4
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9: Disciplinary Information	13
Item 10: Other Financial Industry Activities and Affiliations.....	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12: Brokerage Practices.....	15
Item 13: Review of Accounts.....	15
Item 14: Client Referrals and Other Compensation	15
Item 15: Custody	15
Item 16: Investment Discretion.....	15
Item 17: Voting Client Securities.....	16
Item 18: Financial Information	16

ITEM 4: ADVISORY BUSINESS

Ladder Capital Asset Management LLC (“**LCAM**”) is an affiliate of Ladder Capital Corp (NYSE: LADR) (“**LCC**”), a publicly-traded commercial real estate investment trust comprised of a registered investment advisory entity and other entities (collectively, the “**Ladder Capital Group**”). The Ladder Capital Group, having commenced operations in October 2008, originates, underwrites, acquires, structures, manages and disposes of a diverse portfolio comprised primarily of commercial real estate mortgages, commercial real estate, commercial real estate backed securities and other real estate-related assets. Subsidiaries of the Ladder Capital Group also include a captive insurance company. See “Other Financial Industry Activities and Affiliations” below for more information.

LCAM is a registered investment adviser that commenced operations in June 2021. LCAM is ultimately controlled by LCC and currently provides investment advisory services solely to the LCCM 2021-FL2 Trust and LCCM 2021-FL3 Trust (the “**CLO Issuers**”), although it is anticipated that LCAM will in the future provide investment advisory services to additional CLO issuers. This Brochure describes the applicable qualifications and business practices of LCAM.

LCAM manages, on a discretionary basis, the assets of the CLO Issuers pursuant to the Collateral Management Agreement between LCAM and the CLO Issuers. The CLO Issuers invest primarily in first mortgage loans secured by commercial real estate originated or acquired by the Ladder Capital Group and in participation interests in such loans.

LCAM’s investment advisory services to the CLO Issuers may include identifying and evaluating asset acquisition opportunities (including reinvestment of principal proceeds during the reinvestment period), negotiating with commercial loan obligors regarding proposed modifications or waivers of loan documents, monitoring assets on an ongoing basis and advising as to the disposition and potential substitution of any defaulted or credit-impaired assets and as to the CLO Issuers’ exercise of any rights or remedies. See “Methods of Analysis, Investment Strategies and Risk of Loss” below for additional information.

As of December 31, 2023, LCAM had regulatory assets under management of \$1,341,584,581 managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

LCAM is entitled to receive a management fee (a “**Management Fee**”) in connection with the advisory, administrative and monitoring services it performs for the CLO Issuers. However, LCAM has waived this fee for so long as it or any of its affiliates serves as Collateral Manager for the CLO Issuers. LCAM is not entitled to a promote or performance fee. In addition, LCAM and the servicers are entitled to receive, retain, and share certain amounts paid by mortgage loan borrowers, including, without limitation, in connection with loan servicing, loan extensions, loan modifications, assumption, late fees, and liquidation/exit fees. LCAM or its affiliates will seek reimbursement for services (including reimbursement for employee time and travel and legal fees and costs to support loan servicing and modifications of CLO Issuer assets) from borrowers that would otherwise need to be performed by the servicer or a third-party. LCAM or its affiliates shall be entitled to provide such services and receive reasonable compensation from the borrowers. To

the extent the borrower agrees to pay such compensation, that will be deemed reasonable compensation. An affiliate of the Adviser serves as advancing agent to the CLO Issuers. The advancing agent is required to make, subject to a recoverability determination, interest advances with respect to interest shortfalls on certain notes and servicing advance. In doing so, the advancing agent will be entitled to advancing agent fees unless waived by the collateral manager. The advancing agent is also entitled to interest payments on any interest and servicing advances.

Consistent with Ladder Capital Group's practices of originating loans with all or most of its other investments, Ladder Capital Group receives compensation at the time of the origination of a loan, which are not related to any subsequent decision by LCAM, as applicable, to offer a loan for inclusion into a CLO Issuer.

The expense reimbursements and other amounts payable to LCAM and its affiliates are described in detail in each CLO Issuer's Offering Memorandum and the Indenture executed by the CLO Issuers.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," LCAM is not entitled to receive a promote or performance fee based on the performance of the CLO Issuers' assets.

ITEM 7: TYPES OF CLIENTS

LCAM currently provides investment advice to two CLO Issuers, both of which are past the reinvestment period. The reinvestment period ended in June 2023 for LCCM 2021-FL2 Trust and in December 2023 for LCCM 2021-FL3 Trust. LCAM anticipates that it will in the future provide investment advisory services to additional CLO issuers.

Investors in the CLO Issuers must be reasonably believed to be "Qualified Institutional Buyers," as defined in Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"), "institutional accredited investors" for purposes of Regulation D under the Securities Act, or "non-U.S. persons" for purposes of Regulation S under the Securities Act.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

LCAM's objective is to manage each CLO Issuers' assets in a manner that is consistent with the collateral management agreement and indenture, respectively, executed by each CLO Issuer and that generates sufficient returns to permit timely payment of the CLO Issuers' obligations to noteholders. LCAM uses market knowledge combined with a disciplined credit evaluation and due diligence culture in furtherance of its investment program.

Investment and Operating Strategies

The CLO Issuers primarily invest in: (i) first mortgage loans originated or acquired by a Ladder Capital Group affiliate that are secured by commercial real properties located in the United States and participation interests therein; and (ii) certain "Eligible Investments," consisting

primarily of U.S. government securities, demand and time deposits, investment grade-rated commercial paper and money market mutual funds. Certain transactions raising potential conflicts of interest are permitted to be effected only with the consent of an Advisory Committee, at least one member of which must be unaffiliated with LCAM.

LCAM, together with various third-party service providers, monitors the CLO Issuers' loan portfolio on an ongoing basis, working closely with borrowers and/or their partners. The monitoring focuses on asset-specific and market surveillance, active enforcement of loan and security rights and review of potential modification or disposition strategies.

Risk of Loss

An investment in any CLO Issuer involves certain risks and, therefore, should be undertaken only by qualified investors capable of analyzing such risks. Certain of these risk factors are discussed below; however, these risks are not meant to be an exhaustive listing of all potential risks associated with an investment in the CLO Issuers or an exhaustive discussion of any particular risk. Investors should consult with their own financial, legal and other advisors for advice regarding their investment and should carefully review the Risk Factors section of the CLO Issuer's Offering Memorandum.

Risks Applicable to Real Estate Investments, Generally

Uncontrollable Factors Affecting Performance and Value. Investments in the real estate sector are subject to varying degrees of risk. The yields available from such investments generally depend on the structure of the investment and the success of the property or properties which effectively serve as collateral for such investments as evidenced by the amount of net income earned and capital appreciation generated by such properties. Income from, and the value of, each CLO Issuer's assets may be adversely affected by many factors that are beyond LCAM's control, including: adverse changes in national and local economic and market conditions; changes in interest rates and in the availability, costs and terms of financing; changes in generally accepted accounting principles; changes in governmental laws and regulations, fiscal policies and zoning and other ordinances and costs of compliance with laws and regulations; the ongoing need for capital improvements, particularly in older structures; changes in operating expenses; and civil unrest, terrorism, acts of war or hostilities, nuclear or radiological disasters, pandemics and natural disasters, including earthquakes, tsunamis and floods, which may result in uninsured and underinsured losses. The economic impact of such events could also adversely affect the credit quality of the CLO Issuers' assets and the property underlying such investments.

Pandemics and Other Deteriorations in Economic Conditions. In recent years, the real estate markets, including the commercial real estate market, as well as global financial markets and the U.S. economy generally, have periodically experienced significant dislocations, uncertainty, illiquidity and volatility. In 2020 and continuing to the present, a global pandemic has led to economic downturns and financial disruptions and has adversely affected many borrowers. While the Notes issued by the CLO Issuers remain outstanding, the real estate and securitization markets, including the market for commercial real estate securities, as well as financial markets and the economy generally, may experience periods of deterioration causing significant dislocations, illiquidity and volatility. In addition, increasing geopolitical factors, including the

broader impacts of the Ukraine-Russia and Hamas-Israel conflicts and escalating tension between the US and China, may lead to increased uncertainty. During any such periods, declining real estate values, coupled with diminished availability of leverage and/or refinancings for commercial, multifamily and manufactured housing community real estate may result in increased delinquencies and defaults on commercial, multifamily and manufactured housing community mortgage loans. In addition, downturns in the general economy may affect the financial strength of many commercial, multifamily and manufactured housing real estate tenants and result in increased rent delinquencies and decreased occupancy. Any continued downturns may lead to decreased occupancy, decreased rents or other declines in income from, or the value of, commercial, multifamily and manufactured housing community real estate, which would also be likely to have an adverse effect on loans secured by such real estate, and thus affect the values of such loans. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect the performance of any of the CLO Issuers' assets. LCAM cannot assure that dislocations in the real estate markets will not continue to occur or not become more severe.

Interest Rate Fluctuations. Interest rates are highly sensitive to many factors beyond LCAM's control, including governmental monetary and tax policies and domestic and international economic and political considerations, including economic sanctions. Interest rate fluctuations may affect the value of debt instruments both directly and indirectly, including in connection with payments on adjustable rate commercial real estate mortgage loans. Unforeseen impacts of the transition to the Term Secured Overnight Financing Rate ("SOFR") may have an impact on the market value of assets and borrowers.

Inflation. Some countries, including the United States, are currently and may in the future experience substantial rates of inflation, which may have negative effects on the economies and securities markets of their economies. Governmental efforts to curb inflation (such as price controls) may involve drastic economic measures affecting the level of economic activities. There can be no assurance that the relevant governments will be able to exercise effective control over inflation rates or that a high rate of inflation will not have a materially adverse effect on the CLO Issuers or their investments.

Cybersecurity, Security Breaches, and Artificial Intelligence. Cybersecurity or other security breaches could cause significant business disruption and could possibly compromise sensitive information belonging to us or our employees, borrowers, clients and other counterparties, and along with the emerging use of artificial intelligence ("AI"), could harm our business and our reputation and subject us to regulatory scrutiny.

We rely on the efficacy of our cybersecurity and privacy policies and processes in order to mitigate our technology assets and private personal information from cybersecurity and privacy incidents and intrusions. We do not offer consumer products and, therefore, do not generally collect or maintain consumer personal data.

Like others in the commercial real estate industry, we are exploring generally how artificial intelligence, or AI, may impact our business. This new and emerging technology, however, is in its early stages of commercial use and presents a number of inherent risks that, if not addressed, could affect its further development and adoption. For example, issues such as flawed algorithms,

insufficient or poor-quality data sets, or AI hallucinatory behavior can generate irrelevant, nonsensical, misleading, biased or factually incorrect results. If we integrate AI into LCAM's business and the recommendations, forecasts, or analyses with which AI assists in producing are deficient or inaccurate, our reputation, business or customers could be harmed. In addition, regulatory and legal uncertainty, including regarding privacy, confidentiality and intellectual property, could subject companies that use AI to liability.

Selected Risks Applicable to Commercial Real Estate Loans and Participations Therein

Interim Loans. Each CLO Issuer expects to acquire loans secured by first lien mortgages on commercial real estate that provide interim financing to borrowers seeking short-term capital for the acquisition or transition (for example, lease up and/or rehabilitation) of such commercial real estate. These loans, generally having maturities of three years or less, are typically secured by a transitional asset that has been under-managed, has undergone tenant turnover, is in the process of being repositioned and/or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management and/or the value of the asset, the borrower may not be able to repay the interim loan and the CLO Issuer may not recover some or all of its initial expenditure.

Non-Recourse Nature of Loans. Payments under the mortgage loans that the CLO Issuers acquire are not insured, and are generally either not guaranteed or should not be considered to be guaranteed, by any person or entity. These loans are generally non-recourse loans. If a default occurs, the CLO Issuers' remedies generally are limited to foreclosing against the borrower and/or the specific mortgaged properties and any other assets that have been pledged to secure the mortgage loan, subject to, in some cases, customary non-recourse carve-outs either to the borrower and/or its sponsor. Even if a mortgage loan is recourse to the borrower (or if a non-recourse carve-out to the borrower applies), in most cases, the borrower's assets are limited primarily to its interest in the related mortgaged property. Such real property may not be sufficient to protect the CLO Issuers from a partial or complete loss if the borrower defaults on the loan. Payment of amounts due under the mortgage loan prior to its maturity date is consequently dependent primarily on the sufficiency of the net operating income of the property. Even if the mortgage loan provides for limited recourse to a principal or affiliate of the related borrower, there is no assurance that any recovery from such principal or affiliate will be made or that such principal's or affiliate's assets will be sufficient to pay any otherwise recoverable claim.

Enforceability of Loan Documents. Each of the CLO Issuers' mortgages permit them to accelerate the debt upon default by the borrower. The courts of all states will enforce acceleration clauses in the event of a material payment default, subject in some cases to a right of the court to revoke such acceleration and reinstate the mortgage loan if a payment default is cured. The equity courts of any state, however, may refuse to allow the foreclosure of a mortgage, deed of trust, or other security instrument or to permit the acceleration of the indebtedness if the exercise of those remedies would be inequitable or unjust or the circumstances would render the acceleration unconscionable. Thus, a court may refuse to permit foreclosure or acceleration if a default is

deemed immaterial or the exercise of those remedies would be unjust or unconscionable or if a material default is cured.

Further, the ability to realize upon mortgage loans may be limited by the application of federal and state laws. Several states (including California) have laws that prohibit more than one “judicial action” to enforce a mortgage obligation. Some courts have construed the term “judicial action” broadly. As a result, the ability to realize upon mortgage loans may be limited by the application of state laws and may delay or otherwise limit the ability to realize on defaulted mortgage loans.

Loss of Principal on Maturity Date. The borrowers under certain commercial real estate-secured loans or participations acquired by the CLO Issuers may be unable to repay their remaining principal balances on the stated maturity dates. This is particularly likely in the case of mortgage loans that are non-amortizing or partially amortizing “balloon loans” that provide for substantial payments of principal due at their stated maturities. Balloon loans involve a greater risk to the lender than amortizing loans because a borrower’s ability to repay a balloon mortgage loan on its stated maturity date typically will depend upon its ability either to refinance the mortgage loan (although some loans such as those on condominium projects, may be at least partially self-liquidating) or to sell the mortgaged property at a price sufficient to permit repayment. A borrower’s ability to effect a refinancing or sale will be affected by a number of factors. The Ladder Capital Group is not obligated to refinance any of these mortgage loans.

Losses on Non-Performing Loans. In the event of any default under loans or participations held by the CLO Issuers, the CLO Issuers bear the risk of loss of principal and non-payment (and/or late payment) of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the loan. The real property securing the CLO Issuer’s loans and participations is subject to inherent risks that may limit the CLO Issuers’ ability to recover on a non-performing loan. Such risks include, without limitation, changes in general or local market conditions; changes in the occupancy or rental rates of the property or, for a property that requires new leasing activity, a failure to lease the property in accordance with the projected leasing schedule; increased operating expenses; limited availability of mortgage funds or fluctuations in interest rates which may render the sale and refinancing of a property difficult; development projects that experience cost overruns or otherwise fail to perform as projected; unanticipated increases in real estate taxes and other operating expenses; challenges to the borrower’s claim of title to the real property; environmental considerations; zoning laws; other governmental rules and policies; unanticipated structural defects or costliness of maintaining the property; uninsured losses, such as possible acts of terrorism; and a decline in the operational performance of a facility on the real property (such facilities may include multifamily rental facilities, retail facilities, hospitality facilities, healthcare-related facilities, industrial facilities, warehouse facilities, restaurants, mobile home facilities, recreational or resort facilities, arenas or stadiums, religious facilities, parking lot facilities or other facilities). In instances where the borrower is acting as a landlord on the underlying property, the ability of such borrower to satisfy the debt obligation held by the CLO Issuers will depend on the performance and financial health of the underlying tenants, which may be difficult for LCAM to assess or predict. In addition, as the number of tenants with respect to a commercial property decreases or as tenant spaces on a property must be relet, the non-performance risk of the loan related to such commercial property may increase.

Construction, Development, Redevelopment, Renovation and Repairs at Mortgaged Properties. Mortgaged properties underlying the CLO Issuers' assets may be currently undergoing, or may undergo in the future, construction, development, redevelopment, renovation or repairs. Any such construction, redevelopment, renovation or repairs may not be completed, may not be completed in the time frame contemplated, or, when and if redevelopment or renovation is completed, such redevelopment or renovation may not improve the operations at, or increase the value of, the subject property. Failure of any of the foregoing to occur could have a material negative impact on the related mortgage loan and/or the value of the related mortgaged property, which could affect the ability of the borrower to repay the related mortgage loan. Additionally, in the event that the related borrower or tenant fails to pay the costs for work completed or material delivered in connection with such ongoing construction, redevelopment, renovation or repairs, the related mortgaged property may be subject to mechanic's or materialmen's liens that may be senior to the lien of the related mortgage loan. Also, the existence of construction or renovation at a mortgaged property may make such mortgaged property less attractive to tenants or their customers or other users and, accordingly, could have a negative impact on net operating income.

Lack of Skillful Property Management. The successful operation of a real estate project, including those underlying the CLO Issuers' assets, depends upon the present or future property manager's performance and viability. Management errors can, in some cases, impair short-term cash flow and the long-term viability of an income producing property. No representation or warranty can be made by LCAM as to the skills or experience of any present or future property managers. Many property managers are affiliated with the borrower and, in some cases, such property managers may not manage any other properties. Additionally, there can be no assurance that the related property manager will be in a financial condition to fulfill its management responsibilities throughout the term of its management agreement.

Borrower Creditworthiness. The commercial real estate lending business depends upon the creditworthiness of borrowers, which LCAM must judge in acquiring assets for the CLO Issuers. LCAM will depend on information obtained from non-public sources in making many decisions related to a CLO Issuer investment, and such information may be difficult to obtain. As a result, LCAM may be required to make decisions based on incomplete information or information that is impossible or impracticable to verify. A determination as to the creditworthiness of a prospective borrower is based on a wide range of information including, without limitation, information relating to the form of entity of the prospective borrower, which may indicate whether the borrower can limit the impact that its other activities have on its ability to pay obligations related to the mortgaged property. Even if LCAM is provided with full and accurate disclosure of all material information concerning a borrower, it may misinterpret or incorrectly analyze this information which may cause the CLO Issuers to purchase loans or participations that it otherwise would not have purchased and, as a result, may negatively impact the value of the CLO Issuers' portfolio.

Limitations of Third Party Reports. Appraisals and engineering and environmental reports, as well as a variety of other third party reports, are generally obtained with respect to each of the mortgaged properties underlying the CLO Issuers' assets at or about the time of origination. Appraisals are not guarantees of present or future value. One appraiser may reach a conclusion different from the conclusion that would be reached if a different appraiser were appraising that

property. Moreover, the values of the mortgaged properties may have fluctuated significantly since the appraisals were performed. In addition, any third party report, including any engineering report, environmental report, site inspection or appraisal, represents only the analysis of the individual consultant, engineer or inspector preparing such report at the time of such report, and may not reveal all necessary or desirable repairs, maintenance, remediation and capital improvement items.

“Lender Liability” Claims. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. LCAM cannot assure that such claims will not arise or that the CLO Issuers will not be subject to significant liability if a claim of this type did arise.

Environmental Liability Relating to Underlying Properties. Liability relating to environmental matters may decrease the value of the properties underlying the CLO Issuers’ assets and may adversely affect the ability of a borrower to sell the applicable property or to borrow using the property as collateral and may adversely affect the benefit of having the property as security for a mortgage loan. Under various federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on, about, under or in its property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. To the extent that an owner of an underlying property becomes liable for removal costs, testing, monitoring, remediation, bodily injury or property damage, the owner’s ability to make debt payments may be reduced, which in turn may adversely affect the value of the relevant mortgage asset related to such property. Moreover, some federal and state laws provide that, in certain situations, a secured lender, such as a CLO Issuer, may be liable as an “owner” or “operator” of the real property, regardless of whether the borrower or previous owner caused the environmental damage. Therefore, the presence of hazardous materials on certain property could have an adverse effect on the CLO Issuers in their capacity as the owner of such property, as the mortgage lender to the owner of such property, or as the holder of a real estate instrument related to such property.

Insurance. Insurance on the real estate underlying the CLO Issuers’ loans and participations may not cover all losses. The borrower or originating lender, as applicable, may not have purchased enough, or the proper types of, insurance coverage to cover all losses. Further, certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might make the insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the CLO Issuers’ economic position with respect to the affected real property. Any uninsured loss could result in both loss of cash flow from and the asset value of the affected property.

Bankruptcy and Restructuring. Although commercial mortgage lenders typically seek to reduce the risk of borrower bankruptcy through such items as non-recourse carve-outs for

bankruptcy and special purpose entity/separateness covenants and/or non-consolidation opinions for borrowing entities, the owners of, and borrowers on, the properties that secure the CLO Issuers' assets may still seek the protection afforded by bankruptcy, insolvency and other debtor relief laws. One of the protections offered in such proceedings to borrowers or owners is a stay of legal proceedings against such borrowers or owners and a stay of enforcement proceedings against collateral for such loans (including the properties and cash collateral). A stay of foreclosure proceedings could adversely affect the ability of the CLO Issuers to realize on their collateral, and could adversely affect the value of those assets. Other protections in such proceedings to borrowers and owners include forgiveness of debt, the ability to create super-priority liens in favor of certain creditors of the debtor, the potential loss of cash collateral held by the lender if the lender is over-collateralized, and certain well-defined claims procedures. The numerous risks inherent in the bankruptcy process create a potential risk of loss by the CLO Issuers of their entire investment in any particular loan.

Liquidity Risk of Commercial Real Estate Loans and Participations. The lack of liquidity in the CLO Issuers' commercial real estate loans and participations may significantly impede LCAM's ability to respond to adverse changes in the performance of the CLO Issuers' portfolio and may adversely affect the value of the portfolio. Such "liquidity risk" may be difficult or impossible to hedge against.

For example, the lack of liquidity of the CLO Issuers' commercial real estate loans and participations may make it difficult to effect a sale of such assets at such time as LCAM may need or desire. Interim loans may be relatively less liquid than loans against stabilized properties due to their short life, their potential unsuitability for securitization, any unstabilized nature of the underlying real estate and the difficulty of recovery in the event of a borrower's default. As a result, LCAM expects many of the CLO Issuers' assets may be illiquid, and if LCAM is required to liquidate all or a portion of the CLO Issuers' portfolio quickly, the CLO Issuers may realize significantly less than the value at which such assets were previously recorded, which may fail to maximize the value of the assets or result in a loss.

Concentrations of Underlying Real Properties. The CLO Issuers' portfolio may at times have concentrations in certain property types that are subject to higher risk of foreclosure, or secured by properties concentrated in a limited number of geographic locations, as well as borrower concentrations. To the extent that the portfolio is concentrated in any one region or type of asset, downturns relating generally to such region or type of asset may result in defaults on a number of the CLO Issuers' assets within a short time period. Additionally, borrower concentration, in which a particular borrower is, or group of related borrowers are, associated with multiple real properties securing mortgage loans held by the CLO Issuers, may reduce diversification. Diversification also may be limited if the CLO Issuers' portfolio is concentrated in a certain commercial or industrial sector, a certain tenant or geographic area or if certain of the CLO Issuers' loans or participations have outstanding principal balances that are substantially larger than others. A limited degree of diversification increases risk because the aggregate return of the CLO Issuers may be substantially adversely affected by the unfavorable performance of even a single market, property type, tenant or loan.

Fair Value of Assets. LCAM expects that the value of some of the CLO Issuers' assets may not be readily determinable. Because such valuations are subjective, the fair value of certain

of the CLO Issuers' assets may fluctuate over short periods of time and determinations of fair value may differ materially from the values that would have been used if a ready market for these assets existed.

Risks Applicable to LCAM's Services

Financial Projections. In addition to other analytical tools, LCAM uses financial models to evaluate loans and real estate assets. The accuracy and effectiveness of such models cannot be guaranteed. In all cases, projections are only estimates of future results which are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic and industry-specific conditions, which are not predictable, can have an adverse impact on the reliability of projections.

Conflicts of Interest. LCAM is subject to conflicts of interest arising out of its relationship with, and position in, the Ladder Capital Group. Certain of LCAM's executive officers serve as officers of the Ladder Capital Group. LCAM's executive officers may have conflicts between their duties to the CLO Issuers and their duties to, and interests in, the Ladder Capital Group and its affiliates, which make proprietary investments similar to investments made by the CLO Issuers. The Ladder Capital Group will not be obligated to dedicate any of its executive officers or personnel exclusively to LCAM. In addition, none of the Ladder Capital Group, its executive officers or other personnel will be obligated to dedicate any specific portion of its or their time to LCAM's business. As a result, these individuals will have competing interests for their business time and attention. Further, if and when there are turbulent conditions in the real estate markets or distress in the credit markets or other times when LCAM will need focused support and assistance from its executive officers, the attention of the Ladder Capital Group's employees and executive officers and the resources of the Ladder Capital Group may also be required by other affiliates. LCAM will compete with the Ladder Capital Group in the future for the time and attention of these officers. However, the ownership by an LCAM affiliate of a CLO Issuer's securities constituting an "eligible horizontal residual interest," in compliance with the Risk Retention Rules promulgated jointly by the SEC and other federal government agencies, operates to align, to some extent, the interests of the Ladder Capital Group with the interests of other noteholders of the CLO Issuer's securities.

Further, the Ladder Capital Group's officers or directors may be involved in other businesses related to the commercial real estate industry, and the Ladder Capital Group and LCAM may wish to invest in commercial real estate-related instruments or properties affiliated with such persons both for the Ladder Capital Group's own account and for the accounts of LCAM's CLO Issuers. Potential conflicts of interest may exist in such situations, and as a result, the benefits to a CLO Issuer of such investments may be limited. The Ladder Capital Group does not have a policy that expressly prohibits its directors, officers, security holders or affiliates from having a direct or indirect pecuniary interest in any transaction in which the Ladder Capital Group has an interest or from engaging for their own account in business activities of the types conducted by the Ladder Capital Group. However, the allocation policies described below attempt to assure that investment opportunities are allocated fairly.

LCAM purchases loans from Ladder Capital Group on behalf of the CLO Issuers. Such transactions are not the result of arm's length negotiations and involve conflicts between the CLO Issuer's interests and the interests of the Ladder Capital Group in obtaining favorable terms and conditions. There can be no assurance that any procedural protections, including review and pre-approval of investments by the Advisory Committee, will be sufficient to assure that these transactions will be made on terms that will be at least as favorable to the CLO Issuers as those that LCAM would have obtained in an arm's length transaction.

The CLO Issuers may be competing with the programs, funds, vehicles, managed accounts, ventures or other entities that the Ladder Capital Group may currently own or may form or sponsor in the future for access to the benefits that the relationship with the Ladder Capital Group provides to LCAM, including access to investment opportunities. While LCAM attempts to allocate investment opportunities in a fair and equitable manner for the CLO Issuers, there may be conflicts of interest in allocating investment opportunities to, or among, the CLO Issuers, the Ladder Capital Group and future programs, funds, vehicles, managed accounts, ventures or other entities owned and/or managed by the Ladder Capital Group. In addition, there is no restriction on the Ladder Capital Group on forming, sponsoring, owning and/or managing additional investment entities that have overlapping investment objectives with the CLO Issuers and could compete with the CLO Issuers for additional opportunities, subject to LCAM's investment allocation policies (described below under "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading"). The activities of the Ladder Capital Group vehicles could restrict LCAM's ability to pursue certain asset acquisitions or take other actions related to its investment advisory services for the CLO Issuers.

LCAM or the Ladder Capital Group may obtain other benefits in the form of reduced expenses or favorable rates for shared or similar services provided in connection with each CLO Issuer's relationships with certain service providers, including sharing with the Servicer and Special Servicer certain fees collected from mortgage loan borrowers. To manage and mitigate any potential conflict of interest, LCAM has implemented policies and procedures that include initial and ongoing reviews of its third-party service providers.

Transactions between the Ladder Capital Group and the CLO Issuers will only be effected in accordance with Advisers Act requirements, including applicable independent third-party consents for any principal transactions.

Risks and conflicts of interest associated with the CLO Issuers investments are more fully described in each CLO Issuer's Offering Memorandum and the Indenture.

ITEM 9: DISCIPLINARY INFORMATION

LCAM and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Ladder Capital Finance LLC, a Delaware limited liability company and an affiliate of LCAM, may act as a sponsor and/or mortgage loan seller for one or more CLO Issuers.

Ladder Capital Group contains a captive insurance company, Tuebor Captive Insurance Company LLC (“**Tuebor**”), a Michigan limited liability company, to provide certain previously self-insured coverage. Tuebor is regulated by the state of Michigan and is subject to regulations that cover all aspects of its business. LCAM does not currently intend to utilize the services of Tuebor in connection with transactions on behalf of its CLO Issuers.

Affiliates of LCAM may recover certain additional fees as described below under “Client Referrals and Other Compensation.”

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

LCAM has adopted a Code of Ethics and Personal Securities Transaction Policy (the “**Code**”), which sets forth standards of conduct that are expected of its employees and other supervised persons and addresses conflicts that arise from personal trading. The Code requires all Ladder Capital Group employees and supervised persons to report their personal securities transactions, generally requires pre-clearance for Ladder Capital Group employees and supervised persons from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and may prohibit Ladder Capital Group employees and supervised persons from directly or indirectly acquiring beneficial ownership of certain securities, without first obtaining approval from LCAM’s Chief Compliance Officer and compliance with other applicable precedents. Employees and supervised persons are not eligible to invest personally in the CLO Issuers as only qualified institutional buyers are eligible to purchase the notes.

LCAM and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information which, if disclosed, might affect a decision to buy, sell or hold a financial instrument. Under applicable law, LCAM and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person.

Ladder Capital Group makes proprietary investments that follow investment programs substantially similar to those provided to the CLO Issuers. Investment decisions for Ladder Capital Group accounts may differ from advice given to, or financial instruments recommended for, LCAM CLO Issuers even in cases in which their respective investment objectives are substantially similar. In addition, from time to time, an LCAM affiliate may have a participation or ownership interest in a loan in which the CLO Issuer also has an interest. In such cases, the interest held by LCAM’s affiliates may occupy a pari passu or subordinate position relative to the interest held by the CLO Issuers. Notwithstanding the foregoing, LCAM will seek to act in a manner that it believes in good faith to be equitable to all parties under the circumstances and will not effect principal transactions between Ladder Capital Group and any CLO Issuers without the prior written consent of the Advisory Committee.

The CLO Issuers may invest together with other vehicles advised by LCAM or other Ladder Capital Group entities in the manner set forth in their operative documents. LCAM determines the allocation of investment opportunities in a manner that it believes is fair and equitable to the CLO Issuers consistent with its fiduciary obligations and may take into consideration factors, including those set forth in any investment allocation policy, such as the

following: available capital, a CLO Issuer's investment restrictions and objectives (including those set forth in the relevant CLO Issuer's governing documents, where applicable), investment and operating guidelines, diversification limitations, tax and regulatory considerations, minimum dollar limits and other relevant factors, including risk. LCAM and its affiliates may participate in such allocations based on the same factors, including available capital, which may present a conflict of interest. LCAM's allocation policies attempt to mitigate conflicts based on allocating under the factors described above.

LCAM purchases loans from the Ladder Capital Group on behalf of the CLO Issuers. See "Conflicts of Interest" above for more information.

ITEM 12: BROKERAGE PRACTICES

LCAM has overall responsibility for the CLO Issuers' investment decisions, including ultimate decision-making authority regarding asset acquisitions and dispositions. Although the CLO Issuer's assets will not consist predominantly of traded securities, LCAM has the authority to place orders with brokers and other financial intermediaries. Pursuant to the Collateral Management Agreement, LCAM is obligated to use reasonable efforts to obtain best prices and executions and may take various factors into consideration when selecting brokers. However, research or additional ancillary services provided by such financial intermediaries will not be a determining factor for engaging financial intermediaries and LCAM does not expect to engage in "soft dollar" practices.

ITEM 13: REVIEW OF ACCOUNTS

LCAM is responsible for ensuring that it is managing each CLO Issuer's investments in accordance with the Indenture entered into by the CLO Issuer, as well as in accordance with the Collateral Management Agreement executed by LCAM. Pursuant to the Collateral Management Agreement, LCAM is required to monitor the CLO Issuers' Collateral Interests on an ongoing basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

See "Fees and Compensation" for additional information regarding types of fees and expense reimbursements received by LCAM and affiliates.

ITEM 15: CUSTODY

All CLO Issuer assets are held in custody, pursuant to the Indenture, by Wells Fargo Bank, N.A. as Custodian. Neither LCAM nor any affiliate thereof is deemed to have custody of the CLO Issuers' assets.

ITEM 16: INVESTMENT DISCRETION

LCAM has discretionary authority to manage the CLO Issuers' investments pursuant to the restrictions contained in the Indenture, as described above under "Methods of Analysis, Investment Strategies and Risk of Loss."

ITEM 17: VOTING CLIENT SECURITIES

LCAM has adopted a Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies. In the event a CLO Issuer holds instruments that may involve the solicitation of proxies or that entail voting opportunities, LCAM will review the particular circumstances and vote in the best interest of the CLO Issuers, including where there may be material conflicts of interest. LCAM may abstain from voting if it determines that abstinence is in the CLO Issuers’ best interest or that the vote is immaterial to the value of the investment held by the CLO. Due to the nature of LCAM’s current investment programs and given the fact that LCAM’s CLO Issuers primarily invest in commercial real estate loans, it is more common for LCAM, however, to receive requests related to amendments, consents, and/or resolutions from borrowers as a result of investments in loans. In such situations, Asset Management generally consults LCC Investment Committee members on major asset management decisions such as, loan modifications, asset recapitalizations and other necessary variations to the borrower’s business plan or budget.

Based on the nature of the collateral interests held in the CLO Issuers, LCAM does not have, nor does it intend to have, any proxy voting authority over public companies’ proxy votes.

ITEM 18: FINANCIAL INFORMATION

LCAM does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure. Further, as noted above, LCAM has waived the receipt of Management Fees.