

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

SOUND MARK PARTNERS, LLC

**12 Havemeyer Place, 3rd Floor
Greenwich, CT 06830**

January 26, 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Sound Mark Partners, LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at igerstenlauer@soundmarkpartners.com. 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.

The Management Company 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 the Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

Sound Mark Partners, LLC filed its most recent Form ADV Part 2 on February 28, 2023. This other-than-annual amendment updates certain descriptions regarding the ownership and governance of Sound Mark.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	i
Advisory Business	1
Fees and Compensation	2
Performance-Based Fees and Side-By-Side Management	6
Types of Clients	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Disciplinary Information.....	21
Other Financial Industry Activities and Affiliations	21
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	22
Brokerage Practices	23
Review of Accounts	24
Client Referrals and Other Compensation	24
Custody	24
Investment Discretion	24
Voting Client Securities	25
Financial Information.....	25

ADVISORY BUSINESS

Sound Mark Partners, LLC (the “Management Company,” and together with its affiliated entities, “Sound Mark”), the registered investment adviser, is a Delaware limited liability company that commenced operations in September 2013.

Any general partner of a Private Investment Fund (defined below) (each, a “General Partner” and together with the Management Company, the “Advisers”) is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. As of the date hereof, the following General Partner is affiliated with the Management Company: Sound Mark Horizons Fund GP, LLC.

This Brochure describes the business practices of the Management Company and each General Partner, which together operate as a single advisory business. No General Partner has personnel other than those persons associated with the Management Company.

Sound Mark primarily provides debt-related commercial real estate investment and asset management services to (i) private investment funds that Sound Mark sponsors, manages or controls (the “Private Investment Funds”), (ii) managed accounts (the “Managed Accounts”) and/or (iii) third-party funds or accounts for which it has been appointed sub-adviser (the “Sub-Advised Funds” and together with the Private Investment Funds and the Managed Accounts, “Clients”). Sound Mark’s investment management and advisory services primarily relate to debt-related investments in commercial real estate. Currently, Sound Mark has no Sub-Advised Funds as Clients. Private Investment Funds may include co-investment vehicles that the Advisers make available to one or more limited partners of a Private Investment Fund (each, a “Co-Invest Fund”). The Advisers’ investment advisory services to Private Investment Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and, when applicable, achieving dispositions for such investments. The Advisers’ investment advisory services to Managed Accounts typically are non-discretionary and the nature of the services is subject to negotiation, but generally includes identifying, evaluating and recommending appropriate investment opportunities, monitoring such investments and providing recommendations for when and how to realize a given investment.

The Advisers currently provide investment management and advisory services to Sound Mark Horizons Fund, LP (the “Horizons Fund”). Horizons Fund’s General Partner is Sound Mark Horizons Fund GP, LLC.

Typically, pursuant to a Private Investment Fund’s agreement of limited partnership (or similar governing document) (each, a “Partnership Agreement”), the applicable General Partner has the authority to manage the business and affairs of such Private Investment Fund, which authority such General Partner delegates to the Management Company pursuant to an investment management agreement (each, an “Investment Management Agreement”). The advisory services provided to each Fund are detailed in the relevant offering memorandum (each, a “Memorandum” and, together with any relevant Partnership Agreement, the “Governing Documents”). For Managed Accounts, the scope of the Management Company’s discretionary and non-discretionary advisory services and any applicable investment guidelines and restrictions are set forth in managed account agreements (each, a “Managed Account Agreement”). Similarly, the services provided to Sub-Advised Funds are provided in accordance

with the relevant sub-advisory investment management agreement (each, a “Sub-Advisory Agreement”).

Investors in Private Investment Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances they are excused from a particular investment due to legal, regulatory or other applicable constraints; such arrangements generally do not and will not create an adviser-client relationship between Sound Mark and any investor. The Advisers may enter into side letters or similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights under, or altering or supplementing, a Private Investment Fund’s Governing Documents, including provisions related to fees and distributions. Managed Account Clients’ assets are managed on a non-discretionary basis and in accordance with the investment objectives and restrictions agreed upon between Sound Mark and the Managed Account Client as set forth in the applicable Managed Account Agreement. Accordingly, an existing or prospective investor should review the Governing Documents for further details regarding the advisory services provided by the Advisers to the relevant Managed Account or Private Investment Fund. Each Sub-Advisory Agreement generally requires Sound Mark to advise the applicable Sub-Advised Fund in accordance with its underlying governing documents and the Sub-Advisory Agreements (collectively, the “Sub-Advised Fund Documents”), so investors in any such Sub-Advised Funds should review the Sub-Advised Fund Documents for information regarding investment guidelines or restrictions.

Additionally, from time to time, the Advisers may provide (or agree to provide) certain investors or other persons, including Sound Mark’s personnel and/or certain other persons associated with Sound Mark and/or its affiliates (to the extent not prohibited by the applicable Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain investments alongside a Private Investment Fund. Such co-investments typically involve investment and disposal of interests in the applicable investment at the same time and on the same terms as the Private Investment Fund making the investment.

As of December 31, 2022, Sound Mark managed in the aggregate approximately \$405.6 million in Client assets on a discretionary and non-discretionary basis (approximately \$369.3 million on a discretionary basis and \$36.4 million on a non-discretionary basis). Sound Mark’s Managing Partner is Jenna Gerstenlauer, who oversees day-to-day operations and decisions, serves as a member of Sound Mark’s investment committee and is a member of Sound Mark’s Board of Managers. The Board of Managers is responsible for major non-investment decisions of Sound Mark, and in addition to Jenna Gerstenlauer, includes two representatives from AGC US Credit Holding Limited (together with its affiliates, “AGC Equity Partners”), which owns a majority interest in Sound Mark.

FEES AND COMPENSATION

The Advisers do not have a set fee schedule for the services provided to Clients as fees and compensation are negotiated with the applicable Client. In general, Sound Mark receives a management fee (“Management Fee”) and a performance-based fee in connection with advisory services provided to Clients, as further described below. Sound Mark also receives additional compensation in connection with the provision of certain services performed in connection with

a Client's investments. Clients also bear certain investment-related expenses, as set forth in the applicable Governing Documents (or Sub-Advised Fund Documents).

Management Fees

For each Private Investment Fund, Management Fees applicable to investors are set forth in the applicable Private Investment Fund's Governing Documents and can vary among investors. Typically, a Private Investment Fund's Management Fees are a percentage of the value of the assets under management or invested capital. Investors in the Horizons Fund pay Sound Mark (or one of its affiliates) a Management Fee that ranges from 1.25% to 1.5% of the Horizons Fund invested capital, as adjusted for impaired assets and the distribution of redemption proceeds and other distributions to investors in accordance with the Partnership Agreement. The Management Fee is payable by the Horizons Fund quarterly in arrears and installments payable for any period other than a full quarterly period (including with respect to an investor who redeems other than as of the end of a quarterly period) are typically adjusted on a *pro rata* basis according to the actual number of days in such period. The Management Fee is payable by the Horizons Fund until the final distribution of the Horizon Fund's assets, as described in the Partnership Agreement. Where the Governing Documents calculate Management Fees based on the amount of Commitments or the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents.

Management Fees that Sound Mark receives with respect to advisory services it provides to Sub-Advised Funds are generally structured similarly to the Private Investment Funds' Management Fees. Terms of such fee arrangements are set forth in the applicable Sub-Advisory Agreement, which is generally terminable by the Sub-Advised Fund upon the occurrence of certain events specified therein. In the event of termination, Sound Mark generally will receive payment of any accrued but unpaid fees.

For Managed Accounts, Management Fees are negotiated with the Managed Account Client and will vary depending upon such Client's investment objectives. Typically, such Client's fees are based on the value of assets under management or invested capital. The terms of payment are set forth in the Managed Account Agreement, but such fees are generally accrued and paid monthly or quarterly and are payable until the Managed Account Agreement is terminated. In the event a Managed Account Agreement is terminated and fees have been paid in advance, the Client will receive a pro rata refund of such fees based on the number of days for which services were provided during the period in question as set forth in the Client's Managed Account Agreement.

Performance-Based Fees

The Advisers generally receive performance-based fees with respect to the performance of a Client's investments. Such fees typically are calculated based on a percentage of the Client's (or Private Investment Fund investor's) net profit each year or the net appreciation of each Client's (or Private Investment Fund investor's) capital account and are typically subject to a high water mark such that the Advisers do not receive a performance fee or allocation unless the Client (or Private Investment Fund investor) has met any applicable high water mark, calculated on an annual basis, subject in each case to the applicable Governing Documents. Performance-

based fees typically also are contingent upon a Client receiving a specified return prior to the payment of any performance-based fees for such Client. Any performance fees or allocations charged to Clients comply with the requirements of Section 205 of the Advisers Act and the rules thereunder, to the extent applicable. Investors in Horizons Fund, other Private Investment Funds or Sub-Advised Funds and Managed Account Clients should review any applicable Governing Documents or Managed Account Agreement for a full description of any such performance-based fees.

With respect to each investor's interest, the General Partner of the Horizons Fund will receive an annual performance-based fee ranging from 15% to 20% of certain realized revenues, net profits and accretions and accruals with respect to assets of the Horizons Fund during such fiscal year, as further described in the Partnership Agreement. The annual performance-based fee is payable by investors in the Horizons Fund only for those fiscal years in which the Horizons Fund exceeds a performance hurdle equal to an 8.0% increase in the value of an investor's interest in the Horizons Fund over the prior year, as further specified in the Partnership Agreement.

Other Fees

Sound Mark may also receive additional compensation for certain services performed in connection with a Client's investments. For example, certain Managed Accounts include a fee structure pursuant to which the Advisers are paid a one-time acquisition fee. Any such compensation received is in addition to any Management Fees and performance-based fees described herein.

Other Information

Sound Mark may exempt certain Clients and/or investors in Private Investment Funds (including the Advisers, their affiliates or any other person designated by Sound Mark) from payment of all or a portion of Management Fees and/or performance-based fees. For investors in a Private Investment Fund, the relevant General Partner reserves the right to make any such exemption from fees by a direct exemption, through Co-Invest Funds or as otherwise set forth in the Governing Documents. For example, in instances where a Sound Mark professional or its affiliate invests in a Private Investment Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and any performance-based fees with respect to such Private Investment Fund. Additionally, to the extent permitted by the relevant Governing Documents, certain Advisers may have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or performance-based fees.

Managed Account fees are generally billed to the Client or, at the Client's direction, to the Client's custodian and may be paid directly by the Client or deducted from the Client's account. For Private Investment Funds and Sub-Advised Funds, the applicable fund generally pays fees to Sound Mark on such fund's behalf. Investors generally bear their portion of any applicable fees for so long as they remain invested in the Private Investment Fund (e.g., until they redeem their interests).

Principals or other employees of Sound Mark typically receive salaries and other

compensation derived from, and in certain cases including a portion of, the Management Fee, performance-based fee or other compensation received by Sound Mark.

In addition to the fees described above, Clients bear certain expenses as set forth in the Governing Documents (or Managed Account Agreement). Private Investment Fund and Managed Account Client expenses generally include, but are not necessarily limited to, some or all of the following categories of expenses: (i) any expenses associated with the evaluation and making of investments or potential investments, regardless of whether the investment is consummated; (ii) all fees, costs and expenses related to the holding, development, management, monitoring, administering, servicing, foreclosing and enforcing or otherwise exercising remedies related to, and sale or other disposition of investments (including any third party asset management fees, legal, audit, appraisal, structural review, environmental review, insurance, consulting, brokerage, underwriting and indemnification costs and expenses and fees in connection with the provision of financial accounting and reporting services to the Client); (iii) all costs and expenses relating in any way to any offerings of Private Investment Fund interests; (iv) all quotation and valuation costs and expenses; (v) reasonable and necessary expenses of any advisory committee members; (vi) all insurance costs; (vii) all fees and expenses associated with licensing and insuring the activities of the Private Investment Fund; (viii) all litigation and indemnification expenses; (ix) all costs and expenses related to any financing, hedging, ratings, securitization or capitalization; (x) all expenses related to making temporary investments and any interest expenses; (xi) all expenses associated with software licensing fees necessary to conduct Client related activities; (xii) extraordinary expenses; and (xiii) amounts to be contributed or advanced to any person for the purpose of such person paying any cost of the type described in the foregoing clauses. Generally, a Private Investment Fund also bears organizational expenses, subject to any limitations in the applicable Governing Documents. Generally included in the expenses permitted to be borne by a Private Investment Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. Sound Mark generally allocates costs and expenses to Clients on a pro rata basis if such costs and expenses are attributable to more than one Client. Each Private Investment Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Private Investment Fund typically will bear certain unreimbursed expenses of intermediate holding vehicles through which the Private Investment Fund invests. As a general matter, costs and expenses relating to any transaction that is not consummated and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Private Investment Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

Sound Mark is generally responsible, without reimbursement from Clients, for the costs and expenses of its operations, including the cost of office space, supplies, salaries or other compensation of its employees and other administrative or overhead items, except as provided in the Governing Documents. Investors in Private Investment Funds and Managed Account Clients should refer to the Governing Documents or Managed Account Agreement, as applicable, for

expense information. Sound Mark may incur similar expenses, for which it will be reimbursed, in connection with advisory services provided to any Sub-Advised Fund, and Sub-Advised Fund investors should refer to the applicable Sub-Advised Fund Documents for specific expense information.

A General Partner expects from time to time to permit certain investors to co-invest in investments alongside one or more Private Investment Funds, subject to Sound Mark's related policies and the Governing Documents and/or Side Letters. If a Co-Invest Fund is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Private Investment Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all expenses relating to such unconsummated transaction will be borne by the Private Investment Fund(s) and not by any prospective co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a Co-Invest Fund or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such expenses.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," the Advisers typically receive performance-based fees from Clients. The Advisers also manage one or more Managed Account Clients that are not charged a performance-based fee. Advising both Clients charged a performance-based fee and not charged a performance-based fee could present certain conflicts of interest for the Advisers in allocating investment opportunities among Clients because the Advisers have an incentive to favor accounts for which they receive performance-based compensation. The Advisers maintain an allocation policy in order to allocate investment opportunities in a manner that they believe is fair and equitable and that is intended to mitigate such potential conflicts.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Sound Mark generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

The Advisers provide investment advice solely to Clients, including Private Investment Funds. References throughout this Brochure to Clients and to Sound Mark's related duties to, and practices on behalf of, Clients and/or investors should be construed accordingly. Private Investment Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Advisers' Clients, and the underlying investors participating in Private Investment Funds, typically are institutional investors, such as banks or thrift institutions, insurance companies, corporations, pension and profit-sharing plans, trusts or estates, charitable organizations, or other investment or business entities but may, from time to time, also include high net worth individuals or, directly or indirectly, principals or other employees of Sound Mark.

Sound Mark's minimum investment requirements vary among Clients, although the required minimum for third-party investors generally is \$5 million. Sound Mark or the relevant General Partner generally is permitted to waive such minimum investment amount. In addition, Sound Mark typically provides advisory services only to investors that are qualified purchasers or knowledgeable employees (each as defined in the Investment Company Act).

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategy

In general, the Advisers' investment strategy for their Clients is to make controlling investments in commercial real estate debt or debt-related investments, including first mortgages, b-notes, mezzanine loans, participations, preferred equity, non-performing or distressed debt, investment grade and non-investment grade securities and equity. The Advisers intend to focus on investing Client assets primarily in U.S. based commercial real estate debt in geographically diverse areas, although investments may be made outside the U.S., subject to any limitations in the Governing Documents. The Advisers expect to invest Client assets in a mix of property types, including multifamily, office, industrial, retail, hotel and mixed-use properties, although the Advisers do not expect to invest Client assets in senior living properties that have any level of care (i.e., assisted living, skilled nursing) or casinos or other operating businesses that require a high level of specific industry expertise.

For Private Investment Funds, the Advisers are targeting an investment range of \$10 to \$20 million per investment, although actual investments may range in size. The Advisers expect Private Investment Funds to use leverage on a limited basis, with an estimated blended loan -to-value ratio of 75-80%. Private Investment Fund debt investments are expected to be held to maturity, which may be as long as 10 years or more, although the Advisers might exit certain investments earlier on an opportunistic basis.

The Advisers expect to source investment opportunities primarily through their relationships with borrowers, banks, loan sale groups, investment banks, and developers. When reviewing investment opportunities on behalf of Clients, the Advisers take a credit-centric approach and focus on such credit-related factors as (1) long-term stability of in place cash flows or overall marketability of a project to the extent it is under full or partial development, (2) underlying asset valuation and structural quality, (3) environmental soundness and (4) the experience, financial strength and credit-worthiness of the sponsor. Property and investment due diligence is expected to be completed in house with third parties hired to perform specific functions, including valuations by third party appraisers and environmental and structural assessments by engineers.

If an investment is approved and closed, an asset manager will be assigned (typically the underwriter who worked on the deal) to provide asset surveillance and property performance updates and to prepare quarterly asset management reports for the Advisers' credit committee. While the asset manager will have primary responsibility for all asset management actions, the Advisers' credit committee approves all asset acquisitions and dispositions, as well as any other significant decisions with respect to an investment, including those relating to obtaining financing, modifying investment terms, pursuing additional collateral, or approving major leases, loan assumptions, changes to capital improvement plans or additional capital work.

While the foregoing summary provides a general overview of the Advisers' existing and anticipated investment strategies and process, prospective and existing Private Investment Fund investors and Managed Account Clients are encouraged to review the Governing Documents for more detailed information regarding the investment objectives of and any investment strategies, restrictions or limitations for a given Private Investment Fund or Managed Account. The Advisers may provide investment advisory services to the Sub-Advised Funds subject to the investment restrictions or limitations set forth in the Sub-Advised Fund Documents so Sub-Advised Fund investors should review those documents for investment information specific to those funds.

Risks of Investment

Each Client bears the risk of loss that the Advisers' investment strategy for such Client entails. There can be no assurance that the Advisers will meet a Client's investment objectives or otherwise be able to successfully carry out its investment program or that there will be any return of capital. A prospective investor should only invest in a Private Investment Fund or Managed Account as part of an overall investment strategy and only if such investor is able to withstand a total loss of its investment. Prospective investors should not construe the performance of earlier investments by the Advisers or their affiliates as providing any assurances regarding the future performance of a Private Investment Fund or Managed Account.

Outlined below are risks typically associated with the Advisers' investment strategy for their Private Investment Funds. Private Investment Fund investors should review the Governing Documents for specific information regarding the risks associated with an investment in a given Private Investment Fund. To the extent a Managed Account Client or Sub-Advised Fund has authorized the Advisers to make the types of investments and use the investment techniques described below, the investment risks described herein are also generally applicable to investments made on behalf of Managed Account Clients and/or Sub-Advised Funds.

Risks Related to Real Estate Investments

General Real Estate Considerations. Real estate investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, including: (i) changes in the general economic climate or in national or international economic conditions; (ii) local conditions (such as an oversupply of space or a reduction in demand for space); (iii) the quality and philosophy of management; (iv) competition based on rental rates; (v) attractiveness and location of the properties and changes in the relative popularity of property types and locations;

(vi) financial condition of tenants, buyers and sellers of properties; (vii) quality of maintenance, insurance and management services; (viii) changes in real estate tax rates and other operating costs and expenses; (ix) energy and supply shortages; (x) changes in interest rates and the availability of debt financing; (xi) uninsured losses or delays from casualties or condemnation; (xii) government regulations (including those governing usage, improvements, zoning and taxes) and fiscal policies; (xiii) potential liability under changing environmental and other laws; (xiv) risks and operating problems arising out of the presence of certain construction materials; (xv) structural or property level latent defects; and (xvi) acts of God, acts of war (declared or undeclared), terrorist acts, strikes and other factors beyond the control of Sound Mark. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an

entity that owns a real property) could also create risks of successor liability.

Investments in Real Estate Debt. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments. Debt investments have special inherent risks relative to collateral value. In certain circumstances, a Client's loans may not be secured by a mortgage, but instead by partnership interests or other collateral that may provide weaker rights than a mortgage. In any case, in the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment). Returns on an investment of this type depend on the borrower's ability to make required payments and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the mortgage loan.

Non-Performing Loans; Foreclosure Process. Real estate loans acquired by a Client may be at the time of their acquisition, or may become after origination, participation or acquisition, non-performing for a wide variety of reasons. Non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that upon maturity of such real estate loan, replacement "takeout" financing will not be available. Investments in properties operating under the close supervision of a mortgage lender or under bankruptcy or other similar laws are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of a Client's original investment therein. For example, in certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments may be required to be returned if such payment is later determined to have been a fraudulent conveyance or a preferential payment. It may be necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by a Client. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take up to several years or more to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Nature of Subordinate Debt Investments. To the extent that a Client makes or acquires subordinated or "mezzanine" debt investments, a Client does not anticipate having absolute control over the underlying collateral as a Client will be dependent on third-party borrowers and agents and will have rights that are subordinate to those of senior lenders. A Client's subordinated or mezzanine debt interests may be in real estate companies and real estate-related companies and properties whose capital structures may have significant leverage ranking ahead

of a Client's investment. While the Advisers may anticipate that a Client's investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking ahead of a Client's investments and will usually benefit from cross-default provisions, some or all of such terms may not be part of particular investments. The Advisers anticipate that a Client's usual security for these types of investments will be pledges of ownership interests, directly and/or indirectly, in a property-owning entity, and in many cases a Client may not have a mortgage or other direct security interest in the underlying real estate assets. Moreover, it is likely that a Client will be restricted in the exercise of its rights in respect of these types of investments by the terms of subordination agreements between it and the leverage ranking ahead of a Client's capital. Accordingly, a Client may not be able to take the steps necessary to protect its investments in a timely manner or at all and there can be no assurance that the rate of return objectives of a Client or any particular investment will be achieved. To protect its original investment and to gain greater control over the underlying assets, a Client may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by such Client.

Usury Limitations. Interest charged on loans owned by a Client may be subject to state and foreign usury laws imposing maximum interest rates and penalties for violation, including restitution of excess interest and unenforceability of debt.

Debt Financing; Leverage. A Client is permitted to leverage its investments with debt financing at the property or operating company level. Although the use of leverage may enhance returns and increase the number of investments that can be made, it increases the exposure of a Client's investments to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investments and substantially increases the risk of loss of principal. Debt service requirements may deplete cash flows and relatively small changes in the overall value of investments will have a magnified impact on the value of the equity of a Client. While the use of leverage by a Client has the potential to enhance overall returns that exceed a Client's cost of funds, it will further diminish returns (or increase losses on capital) to the extent overall returns are less than such Client's cost of funds.

Principal and interest payments on indebtedness (including mortgages having "balloon" payments) may be required regardless of the sufficiency of cash flow from the properties. Mortgages requiring "balloon" payments may involve greater risks than mortgages where the principal amount is fully amortized over the term of the loan, since the ability to repay the outstanding principal amount of a "balloon" loan may be dependent upon the ability to obtain adequate replacement financing, which will, in turn, be dependent upon interest rates and lenders' policies at the time of refinancing, economic conditions in general and the value of the underlying property in particular. There is no assurance that replacement financing will be available to make "balloon" payments or that any replacement financing available will be on favorable terms. In situations in which a Client has used leverage, such Client's investment may be impaired by a smaller decline in the value of the properties than is the case where properties are owned with a proportionately smaller amount of leverage. Depending on the level of leverage and decline in value, if mortgage payments are not made when due, one or more of the properties may be lost (and a Client's investment therein rendered valueless) as a result of foreclosure by the mortgagee(s). A foreclosure may also have substantial adverse tax consequences for a Client, including a Private Investment Fund's investors.

Lenders or other holders of senior positions will be entitled to cash flow prior to a Client receiving a return on leveraged investments, and, in the event a Client investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of such Client's investment in such investment will be significantly reduced or even eliminated. In addition, debt financing may restrict the amount of funds available for distribution. Certain tax-exempt investors may be subject to unrelated business income taxation because of the use of leverage. In order to limit a Client's indebtedness, the Advisers (or the Client itself, in the case of a Managed Account) may limit such Client's ability to incur any indebtedness for borrowed money secured by the Client's investments (or incurred to acquire mezzanine loans) if such incurrence would cause the Client's total indebtedness for borrowed money secured by the Client's investments (or incurred to acquire mezzanine loans) to exceed a specified ratio. In addition, borrowings by a Client under a credit facility may be secured by the Client's assets, as well as, in the case of the Private Investment Funds, investors' commitments to make capital contributions.

Interest Rate Risks and Hedging. A Client will have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of the Client's investments. Changes in the general level of interest rates can affect a Client's income by affecting the spread between the income on its assets and the expense of its interest-bearing liabilities, as well as, among other things, the value of its interest-earning assets, the capitalization rate at which its assets are valued in the market and its ability to realize gains from the sale of investments. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Advisers. A Client is permitted to finance its investment activities with both fixed and floating rate leverage. With respect to its floating rate leverage, a Client's performance may be affected adversely if such Client fails to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. Should a Client so elect (and it will be under no obligation to do so), the use of these instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce a Client's earnings and funds available for distribution to its investors and that such losses may exceed the amount invested in such instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. A Client may also be exposed to the risk that the counterparties with which such Client trades may cease making markets and quoting prices in such instruments, which may render such Client unable to enter into an offsetting transaction with respect to an open position.

Market Dislocation. An extended or worsening economic downturn could adversely affect the financial resources of a Client and its investments, and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such circumstances, a Client could lose both invested capital in, and anticipated profits from, the affected investments. The recent financial crisis has led to a marked decrease in the availability of financing (and, in many cases, an increase in the interest cost) for leveraged transactions, which may impair a Client's ability to consummate certain transactions or cause such Client to enter into such transactions on less attractive terms.

Public Health Emergency. Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on investments held by the Funds or Portfolio Partnerships and could adversely affect the Firm's ability to fulfill such Fund's or Portfolio Partnership's investment objectives. The extent of the impact of any public health emergency on a Fund's or Portfolio Partnership's investments and operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could materially and adversely impact the value and performance of a Fund's or Portfolio Partnership's investments, the Firm's ability to source, manage and divest investments on behalf of a Fund or Portfolio Partnership, and the ability to achieve investment objectives, all of which could result in significant losses to the investors. In addition, the operations of a Fund, Portfolio Partnership and the Firm could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Environmental, Social and Governance ("ESG") Matters. Sound Mark maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that Sound Mark will be able to successfully implement its ESG policy or to make investments that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Sound Mark, or any judgment exercised by Sound Mark, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic. Sound Mark's interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating ESG considerations, Sound Mark expects to depend upon information and data provided by a number of sources which could be incomplete, inaccurate or unavailable. Sound Mark does not intend independently to verify all ESG information reported by investments or third parties. For avoidance of doubt, however, Sound Mark does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Sound Mark's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Sound Mark's ESG policies could become subject to additional regulation in the future, and Sound Mark cannot guarantee that its current approach will meet future regulatory requirements.

Potential Restrictive Covenants. A Client may enter into a credit facility with one or more lenders in order to finance its operations (including the acquisition of a Client's investments). Any such credit facility has the potential to contain a number of common covenants that, among other things, might restrict the ability of such Client to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make capital expenditures; (iv) make cash distributions; (v) create liens on assets; (vi) enter into leases, investments or acquisitions; (vii) engage in mergers or consolidations; (viii) in the case of a Private Investment Fund, make capital calls to the partners or permit partners to transfer their interests in such Private Investment Fund; or (ix) engage in certain transactions with affiliates, and otherwise restrict corporate activities of such Client (including its ability to acquire additional investments, businesses or assets, certain changes of control and asset sale transactions) without the consent of the lenders. In addition, such a credit facility would likely require a Client to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. A Client may incur indebtedness under such credit facility that bears interest at a variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various Client purposes.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Sound Mark and its affiliates, Sound Mark may come into possession of confidential or material non-public information. Therefore, Sound Mark and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Client. Consequently, a Client may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Sound Mark's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Sound Mark or a Client from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or investments owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Private Investment Fund's acquisition of a portfolio investment may preclude other Private Investment Funds from making an attractive acquisition or require one or more other Private Investment Funds to sell all or a portion of certain portfolio investments owned by them.

As a result of any of the foregoing, a Private Investment Fund may be adversely affected because of Sound Mark's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Private Investment Fund from pursuing investment opportunities, require the sale of part or all of certain investments on a

timeline or in a manner deemed undesirable by Sound Mark or may limit the ability of one or more investments from conducting their intended business in whole or in part. Consequently, there can be no assurance that a Client will be able to participate in all potential investment opportunities that fall within its investment objectives.

Illiquid Investments. The investments made by a Client may be relatively illiquid. Given the nature of the investments contemplated by a Client, there is a significant risk that such Client will be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy within any given period of time. In particular, these risks could arise from changes in the financial condition or prospects of the person or entity in which the investment is made, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which investments are made. Dispositions of investments may be subject to contractual and other limitations on transfer (including prepayment penalties with respect to property-level debt) or other restrictions that would interfere with the subsequent disposition of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, it is unlikely that there will be a public market for the investments held by a Client. A Client generally will not be able to sell its investments publicly unless the sale is registered under applicable U.S. federal and state securities laws, or unless an exemption from such registration requirements is available. Furthermore, in some cases a Client may be prohibited by contract from selling investments for a period of time.

Possibility of Future Terrorist Activity. In the current environment, there is a risk that one or more of a Client's investments will be directly or indirectly affected by terrorist attack. An attack could have a variety of adverse effects on the business and performance results of one or more of a Client's investments or subsequently acquired investments, including risks and costs related to the destruction of property, inability to use one or more properties for their intended uses for an extended period, decline in rents achievable or property value and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or subject to increased insurance premiums and deductibles that the Advisers deem uneconomic. It is not possible to predict the severity of the effect that any such future events would have on the U.S. financial and insurance markets and economy or a Client's investments. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy, thus harming demand for and the value of a Client's investments.

Market Conditions. A Client's strategy in some investments may be based, in part, upon the premise that real estate businesses and assets will be available for purchase by a Client at prices that Sound Mark considers favorable. Further, a Client's strategy for an investment may rely, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics), or, in some circumstances, a local market recovery or improvement in market conditions over the projected holding period for the investments. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend, in part, upon events and factors outside the control of Sound Mark.

Financial Market Fluctuations. General fluctuations in the market prices of securities may affect the value of the investments held by a Client. Instability in the securities markets may

also increase the risks inherent in a Client's investments. The ability of companies or businesses in which a Client may invest to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Financial Conditions of Tenants. Adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on a Client's ability to receive required payments or the borrower's ability to collect rent payments and, accordingly, on its ability to make distributions to its investors. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in distributions to a Client, including a Private Investment Fund's investors. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Client's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the real estate assets held by such Client generally will be illiquid and not quoted on any exchange. The relevant General Partner will determine the value of all the Client's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Client's investment portfolios and risks, and may also affect the diversification and management of such Client's portfolio of investments.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. In the event that such a cyber-attack or other unauthorized access is directed at Sound Mark or one of its service providers holding its financial or investor data, Sound Mark, its affiliates or its Clients may also be at risk of loss, despite efforts to prevent and mitigate such risks, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Sound Mark may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Sound Mark's and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal

information relating to investors (and the beneficial owners of investors). Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce an operating entity associated with a portfolio investment or related personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks.

Impact of Government Regulation, Reimbursement and Reform. The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Sound Mark and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to impact Sound Mark and its affiliates, the Fund and/or its investments. Significant time and resources may be required to comply with new regulations.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “Privacy Laws”) could significantly impact current and planned privacy- and information security-related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Sound Mark, the General Partners and/or the Private Investment Funds, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Private Investment Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Sound Mark, the General Partners and/or the Private Investment Funds are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Risks Related to Investment Terms

In addition to the risks described above, Client investments pose certain other risks. For example, a Client may participate in a limited number of investments and, as a consequence, the aggregate return of the Client’s investments may be substantially affected by the unfavorable performance of even a single investment. In addition, the success of a Client’s investments depends upon the skill of the Advisers in selecting, managing and disposing of such investments on behalf of the Client. The Advisers may be unable to identify suitable investments, and each Client potentially has to compete with other investment products for investment opportunities.

Furthermore, to the extent that a Client invests in securities and instruments that are illiquid, not traded on an exchange or in an established market or for which no value can be readily determined, the Advisers generally will value such securities and financial instruments in good faith at fair value based on various factors, including external pricing sources (if any), recent trading activity (if any) or other information in the Advisers’ discretion. While pricing information is generally available for distressed and private securities, there is currently no

centralized source for such pricing information and prices quoted by different sources are subject to material variation. The valuation of certain illiquid assets is inherently subjective and subject to increased risk that the information utilized to value the asset or to create the price models may be inaccurate or subject to other error. Reliable pricing information may at times, and for certain Client investments, not be available from any source. Typically, prices for distressed securities become more unreliable when the issuer's financial condition deteriorates. Such valuations may not be indicative of what actual fair market value would be in an active, liquid or established market. In addition, the actual value of the security or other instrument may prove significantly different. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. Depending on the Client, the Advisers' valuations may or may not be subject to review and revision by independent third parties. Inaccurate valuations may, among other things, prevent or inhibit effective portfolio and risk management, may affect diversification, may affect the net asset values at which Private Investment Fund interests are issued and redeemed, and may affect the determination of Management Fees and the performance-based fees.

Conflicts of Interest

Sound Mark and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Private Investment Funds, and providing transaction-related, investment advisory, management and other services to Private Investment Funds and investments. In the ordinary course of Sound Mark conducting its activities, the interests of a Private Investment Fund may conflict with the interests of Sound Mark, one or more other Clients, portfolio investments or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein.

Prospective Clients should be aware that there may be occasions when Sound Mark and its principals and employees will encounter potential conflicts of interest in connection with the activities of Clients. Sound Mark's principals and employees work on multiple advisory projects and matters, including for Clients with similar investment objectives, and may also work on non-advisory projects, all of which potentially compete with a Client's investments. In addition to potential conflicts among Client investments, conflicts may arise in the allocation of management time, services, functions and resources. Sound Mark personnel also reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing arrangements. Sound Mark will devote such time, personnel and internal resources as are necessary to conduct the business affairs of its Clients in an appropriate manner, as required by the Governing Documents, although the Clients and their respective investments will place varying levels of demand on these over time. With respect to potential conflicts involving one or more Private Investment Funds, the Advisers may, as necessary, consult and seek consent to conflicts from an advisory committee consisting of limited partners of such Private Investment Fund. To the extent an advisory opportunity is received that is unsuitable for a Private Investment Fund, in Sound Mark's sole discretion, Sound Mark and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Sound Mark personnel are permitted to serve on boards or act in other roles unaffiliated with Sound Mark, the Private Investment Funds or their portfolio investments, including boards of charitable and educational institutions and public companies,

and receive compensation in connection with such services and roles.

From time to time, Sound Mark will be presented with investment opportunities that would be suitable not only for one Client, but also for other Clients and other investment vehicles operated by advisory affiliates of Sound Mark. In determining which investment vehicles should participate in such investment opportunities, Sound Mark and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one Client of Sound Mark in an investment also have the potential to raise the risk of using assets of a Client of Sound Mark to support positions taken by other Clients of Sound Mark. When and to the extent that employees and related persons of Sound Mark and its affiliates make capital investments in or alongside certain Private Investment Funds, Sound Mark and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Private Investment Fund's return from a transaction would be equal to and not less than another Private Investment Fund participating in the same transaction or that it would have been as favorable as it would have been had such potential conflict not existed.

The joint ventures specific to each portfolio investment (referred to as a special purpose entity or "SPE") are made in conjunction with an operating partner, and a Private Investment Fund or the SPE typically pays certain fees to, and reimburse expenses of, such operating partners. Sound Mark has broad discretion to retain or recommend such operating partners for its SPEs. Although Sound Mark generally seeks competitive rates for such services, it reserves the right to prioritize prior usage, familiarity, competence or other factors in connection with such retention or recommendation, and there can be no assurance that other service providers would not be more qualified to provide the applicable services or would not provide such services at a lesser cost.

In connection with its services to the Private Investment Funds and their investments, Sound Mark, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Sound Mark's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Sound Mark and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to each Private Investment Fund or portfolio investment (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics as applicable (collectively, "Sound Mark Information"). In many cases, Sound Mark Information will include tools, procedures and resources developed by Sound Mark to organize or systematize Sound Mark Information for ongoing or future use. Although Sound Mark expects its Private Investment Funds and their portfolio investments generally to benefit from Sound Mark's possession of Sound Mark Information, it is possible that any benefits will be experienced solely by other or future Private Investment Funds or portfolio investments (or by Sound Mark and its personnel) and not by the Private Investment Fund or portfolio investment from which Sound Mark Information was originally received. Sound Mark Information will be the sole intellectual property of Sound Mark and solely for the use of Sound Mark. Sound Mark reserves the right to use, share, license, sell or monetize Sound Mark Information, without offset to Management Fees, and the relevant Private Investment Fund or portfolio investment will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Private Investment Funds or portfolio investments are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs,

“points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio investments, the Private Investment Funds or their respective investors; no such rewards will offset Management Fees.

Sound Mark generally exercises its discretion to recommend to a Private Investment Fund or with respect to an investment thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Sound Mark or a related person of Sound Mark, (ii) an entity with which Sound Mark or its affiliates or current or former members of their personnel has a relationship or from which Sound Mark or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Sound Mark personnel are seconded, or from which Sound Mark receives secondees; or (iii) certain limited partners or their affiliates. This discretion subjects Sound Mark to potential conflicts of interest, because although Sound Mark selects service providers that it believes are aligned with its investment strategies and will enhance an investment’s performance and, relatedly, returns of the relevant Private Investment Fund, Sound Mark has a potential incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Sound Mark, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Private Investment Fund or Sound Mark), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Sound Mark will not necessarily seek out the lowest cost options when incurring (or causing a Private Investment Fund or its portfolio investments to incur) such expenses. Although Sound Mark generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Sound Mark has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Similarly, Sound Mark, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders, executives, attorneys, accountants, institutional investors, family offices, lenders, personnel of operating entities associated with a portfolio investment, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Sound Mark and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Sound Mark entities) to Sound Mark personnel and their estate planning vehicles. Sound Mark expects to be subject to a potential conflict of interest with a Private Investment Fund in recommending the retention or continuation of a third-party service provider to such Private Investment Fund or a portfolio investment if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s)

will continue to invest in one or more Private Investment Funds, will provide Sound Mark information about markets and industries in which Sound Mark operates (or is contemplating operations) or will provide other services that are beneficial to Sound Mark or one or more other Private Investment Funds.

In addition, anytime a Client is comprised of more than one investor, such Client's investors may include persons or entities organized in various jurisdictions that may have conflicting investment, tax and other interests with respect to their investments. In selecting and structuring investments appropriate for a Client, a General Partner will consider the investment and tax objectives of such Client as a whole, not the investment, tax or other objectives of any individual investor.

Clients may hold securities and financial instruments that may not have readily available market quotes. In such instances the Advisers generally will value such securities and financial instruments in good faith at fair value based on various factors, including external pricing sources (if any), recent trading activity (if any) or other information aimed at a relative value assessment process that incorporates, among other factors in the General Partner's discretion, current market conditions, position size, trends and prices. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. Additionally, such valuations will directly correlate to the compensation paid or allocated by a Client to the Advisers and may, therefore, create potential conflicts of interest.

Sound Mark and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Private Investment Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms), specialized reporting, targeted co-investment amounts, rights to serve on the Private Investment Fund's advisory committee, confidentiality protections and disclosure rights, pacing restrictions, as well as economic procedural and other terms. Sound Mark is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (*e.g.*, based on commitment amount to a Private Investment Fund or the timing thereof). As a general matter, the other investors have no recourse against a Private Investment Fund, Sound Mark, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Furthermore, any performance-based fee may create an incentive for the Advisers to make riskier or more speculative investments on behalf of a Client than would otherwise be the case.

The relevant liability standards under insurance coverage procured by Sound Mark are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to

vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Sound Mark's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Sound Mark and/or its affiliates to potential conflicts of interest. Sound Mark attempts to resolve such conflicts of interest in light of its obligations to its Clients and the obligations owed by Sound Mark's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Client, other Clients and such investment vehicles in a manner it believes to be fair and equitable to the Clients under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Sound Mark will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Sound Mark consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Private Investment Fund and such other investment vehicles.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Management Company is affiliated with other Sound Mark investment advisers, including the General Partners of the Private Investment Funds and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Sound Mark's registration in accordance with SEC guidance. Each General Partner is registered with the SEC under the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. The Advisers operate as a single advisory business and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

A minority interest in Sound Mark is owned by MoLAGERS. MoLAGERS does not have authority over the day-to-day operations of investment decisions of Sound Mark as they relate to the Private Investment Funds, although it has negotiated certain customary minority protections in connection with its investment in Sound Mark. A majority and controlling interest in Sound Mark is owned by AGC US Credit Holding limited, an affiliate of AGC Equity Partners Investment Management Ltd, a London-based alternative asset manager. Sound Mark's Managing Partner oversees day-to-day operations, and serves as a member of the Firm's Board of Managers. The Board of Managers is responsible for major non-investment decisions of the Firm and other strategic matters. In addition to the Sound Mark Managing Partner, AGC Equity Partners appoints the other two members of the Board of Managers. Although it intends to maintain operations investment decisions that are substantially separate from both MoLAGERS and AGC Equity Partners, Sound Mark generally will have incentives to conduct operations in a manner that benefits the other direct and indirect owners of the Firm. A representative of AGC Equity Partners also will serve on the investment committee of Sound Mark. AGC Equity Partners and its affiliates separately maintain an asset management business, including with respect to investments in real estate and real estate-related projects. From time to time, situations are expected to arise where (i) a Sound Mark Client has the opportunity to invest in a project in

which AGC Equity Partners (or its clients) already have an interest or are concurrently investing, or (ii) AGC Equity Partners (or its clients) are granted an opportunity to invest in a project in which a Sound Mark Client has a pre-existing interest or are concurrently investing. Similarly, due to overlapping investment strategies, it is possible that Sound Mark, on the one hand, and AGC Equity Partners, on the other hand, potentially will compete from time to time for investment opportunities. Although the decision-making of the two firms generally will be separate, the participation of an AGC Equity Partners representative on the Sound Mark investment committee has the potential to result in conflicts of interest related to the foregoing. Sound Mark intends to consider and address any such conflicts of interest on a case by case basis in a manner that is fair and equitable to its Clients considering the relevant factors. However, there can be no assurance that the terms of any such investments or related returns to investors would be as favorable to a Sound Mark Client as they would be if the potential for conflicts of interest did not exist.

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

The Advisers have adopted a Code of Ethics and Securities Trading Policy (the “Code”), which sets forth standards of conduct that are expected of the Advisers’ principals and employees and addresses conflicts that arise from personal trading. The Code requires certain personnel to report their personal securities holdings and transactions to and to obtain approval from Sound Mark’s Chief Compliance Officer prior to acquiring, directly or indirectly, beneficial ownership of securities in an initial public offering or in a limited offering. The Code also requires pre-clearance of any acquisition or disposition of a security on the Restricted List. A copy of the Code will be provided to any Client (or prospective Client) upon request to Sound Mark’s Chief Compliance Officer at jgerstenlauer@soundmarkpartners.com. Personal securities transactions by employees who manage Client accounts are required to be conducted in a manner that gives priority to the Client’s interests in Client eligible investments.

The Advisers and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public investments which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a Client.

Accordingly, should Sound Mark or any of its principals or employees come into possession of material nonpublic or other confidential information with respect to any public company, Sound Mark would be prohibited from communicating such information to Clients, and Sound Mark will have no responsibility or liability for failing to disclose such information to Clients as a result of following its policies and procedures designed to comply with applicable law.

Principals and employees of Sound Mark generally are expected to directly or indirectly own an interest in a Client, including one or more of the Private Investment Funds. Sound Mark and its principals and employees expect from time to time to carry on investment activities for other investment vehicles, their own accounts, for personal or employee investment vehicles and, potentially, for family members, friends or others who are not Clients or investors in a Private

Investment Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, a Client, even though their investment objectives may be the same or similar. As noted above, allocations of investment opportunities are made in accordance with the Governing Documents and the Advisers' investment allocation policy.

Subject to any applicable limitations in the Governing Documents, the Advisers reserve the right to offer co-investment opportunities to Clients, including a Private Investment Fund's investors, vendors, service providers and/or other third parties, through a Co-Invest Fund or otherwise. The Advisers will determine an investor's eligibility to participate in any such co-investment based on applicable law or regulatory requirements and any limitations in the Governing Documents. Such transactions will be on terms that are determined by the Advisers, as applicable, to be fair and reasonable to the applicable Clients, and the Advisers expect that co-investment opportunities will typically be allocated among the interested limited partners of a Private Investment Fund on a pro-rata basis, unless otherwise agreed to by participants or provided in the Governing Documents. Co-Invest Funds are expected to be comprised of investments which the related Private Investment Fund is (i) unable to fund in its entirety due to capital commitment limitations, (ii) unable to acquire due to certain limitations of the Private Investment Fund, (iii) unable to acquire or own due to limitations under applicable law or other legal or regulatory restrictions, or (iv) unable to acquire due to a Private Investment Fund's diversification requirements, in each case as determined by the General Partner. In general, whenever any Client and the Advisers and/or any of their affiliates co-invest in an investment opportunity, the economic terms and conditions on which such co-investment is made will be required to be substantially the same.

BROKERAGE PRACTICES

In the event the Advisers engage in transactions involving publicly traded real estate securities, the Advisers will be responsible for directing orders to broker-dealers to effect securities transactions for applicable Clients, and the Advisers expect to follow the brokerage practices described below and any additional policies and procedures they deem necessary in order to comply with applicable rules and regulations. The Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute Client transactions, the Advisers would expect to consider a variety of factors, including: (i) prompt execution of orders, (ii) the reliability, integrity, financial condition and execution capability of the firm being considered for effecting transactions in light of the size and difficulty of executing the order, (iii) the price/commissions charged and (iv) the capabilities of firms to supply research services.

The Advisers may from time to time purchase or sell securities for several Clients at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce commission rates or other costs. When an aggregated order is filled in its entirety, each participating Client generally will receive the average price obtained on all such purchases or sales made on the applicable trading day. If an order is partially filled, the securities purchased or sold typically will be allocated on a pro rata basis among participating Clients.

When participating in hedging transactions, Sound Mark and the Clients may use a third-

party vendor to provide quotes from multiple counterparties.

Clients are responsible for paying any commissions or fees with regard to securities and hedging transactions effected on their behalf.

REVIEW OF ACCOUNTS

While Client investments are generally long-term in nature, the Advisers monitor each Client's investments on a routine basis, with each asset manager generally reviewing transactions for which such person is responsible on a daily basis and providing monthly and quarterly updates to Sound Mark's credit committee. Sound Mark's credit committee periodically checks to confirm that each Private Investment Fund, Managed Account and Sub-Advised Fund is maintained in accordance with its stated objectives and any investment limitations, as set forth in the Governing Documents (or Sub-Advised Fund Documents). Credit committee approval is required for any significant actions to be taken with respect to an investment (e.g., asset acquisitions, dispositions or modifications). The credit committee may also determine that an investment requires additional monitoring, such as when an investment is not performing as expected or there are material changes or concerns with an investment.

The Advisers generally provide Clients and, in the case of the Private Investment Funds, investors with (i) annual audited and quarterly unaudited financial statements and (ii) various other periodic reports as required by the Governing Documents.

CLIENT REFERRALS AND OTHER COMPENSATION

The Advisers do not receive any additional compensation from any third parties for the investment advisory services provided to a Client. The Advisers do not currently compensate any third parties for Client referrals, including any referrals that result in a potential investor investing in a Private Investment Fund, although the Advisers have the right to do so in the future.

CUSTODY

As required by the Advisers Act, Sound Mark has established accounts with one or more qualified custodians to hold funds or securities on behalf of Private Investment Funds for which it is deemed to have custody and, to the extent applicable, Managed Account Clients and/or Sub-Advised Funds. Such accounts are in the Client's name or in Sound Mark's name for the benefit of the Client. Wells Fargo, 90 S 7th St, Minneapolis, MN 55402 is the qualified custodian for Horizons Fund. Managed Account Clients and Sub-Advised Funds may engage custodians directly to maintain custody of their funds and securities, in which case the Advisers would not generally have custody of such Clients' funds or securities.

INVESTMENT DISCRETION

The Advisers have discretionary authority to manage investments on behalf of Clients. The Advisers assume this authority pursuant to the terms of the Governing Documents (or Sub-Advisory Agreement in the case of Sub-Advised Funds), as well as any powers of attorney executed by a Client or investors in a Private Investment Fund.

With respect to Private Investment Funds, as a general policy, the Advisers do not allow investors in such funds to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, the Advisers have entered, and expect to enter, into Side Letters with certain Private Investment Fund investors whereby the terms applicable to such investor's investment in a Private Investment Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. With respect to Managed Accounts, any limitations on the Advisers' investment authority are set forth in the applicable Managed Account Agreement. Similarly, with respect to Sub-Advised Funds, any limitations on the Advisers' investment authority are set forth in the applicable Sub-Advised Fund Documents.

VOTING CLIENT SECURITIES

Although the Clients generally do not invest in securities that require voting, the Advisers have adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how they will vote proxies, as applicable, for the Clients' portfolio investments. The Advisers generally have proxy voting authority for the Private Investment Funds and may accept such authority on behalf of a Managed Account Client or Sub-Advised Fund if the Client so desires. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the applicable Client, including where there may be material conflicts of interest in voting proxies. With respect to the Private Investment Funds, the Advisers generally believe their interests, as well as the interests of their affiliates, are aligned with those of the Private Investment Funds' investors through the beneficial ownership interests in the Private Investment Fund by the Advisers and/or their affiliates, including the principals, and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives set forth in the Proxy Policy. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of a Client. Clients, including prospective Clients, or investors that would like a copy of the Advisers' complete Proxy Policy or information regarding how the Advisers voted proxies should contact Sound Mark's Chief Compliance Officer at jgerstenlauer@soundmarkpartners.com, and such information will be provided at no charge.

FINANCIAL INFORMATION

The Advisers do 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.