

ITEM 1: Cover Page

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FORM ADV PART 2A

This Part 2A brochure (this “Brochure”) provides information about the qualifications and business practices of SR Alternative Credit, LLC (“SRAC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at (203) 656-3004.

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 securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about SR Alternative Credit, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: Summary of Material Changes

This is the initial filing of the Form ADV Part 2A for the Firm and as such, there are no material changes to report. In the future, this Item will provide a summary of material changes that were made to this Brochure.

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ITEM 4: Advisory Services

Description of Advisory Services:

SRAC was formed in 2021 and is based in Darien, Connecticut. SRAC is organized as a limited liability company under the laws of the State of Delaware. SRAC is a successor to Old Hill Partners Inc., which assigned its clients to SRAC in 2021 in connection with SRAC becoming a relying adviser of Spouting Rock Asset Management, LLC (“Spouting Rock”).

SRAC is a boutique investment management firm that will manage private funds that offer individuals and institutions exposure to investments in illiquid private credit alternative products. The advisory services offered by SRAC generally include investment management services rendered to the Credit Funds (as defined below) or separately managed accounts.

SRAC is sometimes referred to herein collectively as “SRAC”, “we” or “us.”

Fund Management Services

We offer discretionary and non-discretionary investment advisory and portfolio management services to private funds (each, a “Credit Fund”, and together the “Credit Funds”) and separately managed accounts (“SMA”s, together with the Credit Funds, the “Funds”, and each, a “Fund”).

Private Credit Strategies. SRAC offers private credit investment strategies focused on senior-secured term and revolving loans to middle and lower middle market companies. These strategies are focused on capital preservation and income distribution during the life of the Credit Funds and SMAs under SRAC’s management.

The SRAC Strategy. The SRAC Strategy is a private credit strategy that focuses on generating yield for investors by executing senior secured asset-based lending transactions focused on deals from \$10mm to \$50mm with a maturity of 1-5 years.

Upon the completion of the spin-off from Spouting Rock, the SRAC Strategy will provide discretionary investment advisory services including, but not limited to, managing and directing the investment and reinvestment of assets for the following four (4) private investment funds:

- PFM Credit Recovery Fund I, LLC, a Delaware limited liability company (the “PFM Credit Fund”);
- OHP II LP, a Delaware limited partnership;
- OHPLTD, LLC, a Delaware limited liability company; and
- OHPC LP, a Delaware limited partnership.

The terms for each Credit Fund are disclosed in detail in each Credit Fund’s offering documents that are provided to prospective investors prior to investment.

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

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

Where appropriate, the Firm or its affiliates may offer co-investment opportunities to one or more (but not necessarily all) of the investors or other persons, and the Firm and its affiliates and persons or entities that it advises or sponsors also may participate in such co-investments (a "Co-Investment Opportunity"). In the event of a Co-Investment Opportunity: (i) no investor will be required to participate in such Co-Investment Opportunity unless it so chooses and (ii) the sponsor of the relevant Co-Investment Opportunity will, in its sole discretion, determine the terms of such participation and whether, and in what amounts, an investor or third-party will be permitted to participate in such Co-Investment Opportunity. Any Co-Investment Opportunity will not be part of the Credit Fund and the terms of any Co-Investment Opportunity will not be governed by the terms of the applicable governing agreement of the Credit Fund. For the avoidance of doubt, any fees received by the Firm or its affiliates will not offset or reduce the amount of the management fees otherwise payable to the Firm.

Pooled Investment Vehicles

As of the date of this Brochure, SRAC will provide investment advisory services, pursuant to the investment guidelines as set forth in the applicable offering memoranda of several private commingled funds, which include the Credit Funds described above.

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

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

Wrap Fee Program

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

Assets Under Management

SRAC is currently in the process of spinning-off from Spouting Rock and does not currently have its own client assets under management. This Form ADV Part 2A is being filed in reliance on Rule 203A-2(c) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) because SRAC expects to complete this spin-off and to amend this Form ADV Part 2A within 120 days of registration to indicate that it has met the asset eligibility requirements for registration with the SEC. As a result, certain responses contained herein based on SRAC’s expectations with respect to its investment advisory business once the spin-off is complete.

ITEM 5: Fees and Compensation

SR Alternative Credit Strategy

With respect to the Credit Funds, SRAC generally will receive a monthly asset-based management fee in a range of 1.5% to 1.75% per annum of the relevant Credit Fund's net assets. With respect to the PFM Credit Fund, SRAC generally will receive a monthly asset-based management fee at a rate 1.5% per annum of the net asset value of the relevant Credit Fund. With respect to OHP II LP and OHPLTD, LLC, SRAC will not receive a management fee. With respect to OHPC LP, SRAC will receive 1.75% per annum on the net assets. SRAC will also occasionally receive a servicing fee for servicing loan participations sold to third-parties. SRAC does not intend to charge a servicing fee for loan participations sold in cross-trades between funds it manages. SRAC may also charge fund borrowers a loan monitoring fee where the borrower's loan requires higher-than-usual demands on SRAC to monitor the loan, collateral valuations, and other loan operations.

With respect to OHP II LP, SRAC will receive a performance fee of 15% of the net gain (if any) attained by investors following resolution of the entire portfolio of OHP II LP after return of 100% of their initial net asset value ("NAV").

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

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

With respect to OHPLTD, LLC, SRAC will receive a performance fee of 15% of the net gain (if any) attained by investors following resolution of the entire portfolio of OHPLTD, LLC after return of 100% of their initial NAV.

Fees paid to SRAC by SMAs utilizing the SRAC Strategy will be individually negotiated with each account and may include management and/or performance-based fees. SRAC intends to manage two SMAs utilizing the SRAC Strategy.

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

Other Expenses

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

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

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

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

Performance-based fees or carried interest profit allocations are subject to regulation under Rule 205-3 under the Advisers Act. SRAC seeks to ensure that any client or investors in a Credit Fund that are directly or indirectly assessed performance-based fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 and have been advised of such fees or allocations and their risks.

Clients may be charged performance-based fees. The performance-based fees will not exceed 15% of profits and are subject to certain preferred return hurdles. The performance-based fees or carried interest allocations will be paid to the general partner of the relevant Credit Fund. The manner of calculation and the application of performance-based fees or carried interest profit allocations are disclosed in the governing documents for each of the Credit Funds which are charged such fees. The Credit Funds may enter into side agreements and negotiate carried interest profit allocations that may be lower or higher than the carried interest profit allocations as disclosed in the offering documents.

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

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

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

Each of OHP II LP and OHPLTD, LLC (formerly OHP Ltd., a Cayman Islands exempted company) has two of the same illiquid investments for which SRAC may receive performance-based compensation only upon the sale or deemed realization of both of these assets, which creates a potential conflict of interest as SRAC may have an incentive to delay the realization of these illiquid investments.

ITEM 7: Types of Clients

Currently, the Firm has no clients. Following the completion of the spin-off from Spouting Rock, SRAC anticipates that its clients will consist of the following types of clients:

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

At a minimum, the Firm will require of \$500,000 to invest in the Credit Funds but certain investments may have higher minimums. The minimum amount to open an SMA will be \$1,000,000. However, the Firm may waive these minimum account size thresholds in its sole discretion. For example, the Firm may waive the minimum if the prospective SMA client appears to have significant potential for increasing the amount of the Firm's assets under management. The Firm may also combine account values for investors and their minor children, joint accounts with an investor's spouse, and/or other types of related accounts to meet the stated minimum.

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

Methods of Analysis

Fundamental analysis: The Firm concentrates on the value and marketability of the collateral a company has to support its borrowing, as well as factors that determine a company's value and expected future earnings.

Loss Analysis: The Firm models cash flow and collateral value volatility, and employ relevant underwriting techniques in its assessments of risk/loss. The Firm also relies on a variety of third-party information sources to assist the Firm with its analysis. These sources include independent appraisals, background checks, and information from several news outlets including newspapers, periodicals and websites. The Firm uses various methods of analysis when providing investment management services to clients of segregated accounts and pooled Funds. These include, but are not limited to, the following methods:

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

Qualitative Analysis: The Firm subjectively evaluates an investment's merit based on the manager's collective experience, impact of various market risk factors, as well as other risk factors that are not readily subject to measurement.

Asset Allocation: In order to promote portfolio diversification taking into account return objectives and risk factors, the Firm attempts to identify an appropriate count and weighting of assets, as well as ratios of assets to cash suitable to the investment goals and risk tolerance of each fund's investment strategy and its clients. A risk of asset allocation is that the client may not participate in increased returns owing to credit demand in a particular type of loan, industry, or market sector. Another risk is that the ratio of loan assets and cash will change over time due to lending opportunities, market movements, leverage employed by the Fund, resulting in a reduction in return on the affected Fund's portfolio.

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

- Downside risk, distribution analysis
- Analysis of factor and style exposures and drift
- Analysis of diversification within the portfolio
- Analysis based models
- Analysis of exposures to major economic factors, such as Credit Risk, and Duration
- Analysis of return distributions

Portfolio Management Strategies

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

SRAC Credit Strategy

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

Risk of Loss

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

The Firm's approach to investment management and its strategies is to manage risk through portfolio diversification, thoughtful use of leverage (if any), a move to increased cash levels when there are no attractively priced investment opportunities and in some cases, selective shorting or market hedging. The particular risk factors applicable to the

securities held by the Firm's investment strategies include, but are not limited to, the following:

- Market Risk. Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk. Economies and financial markets throughout the world are becoming increasingly interconnected which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.
- Emerging Markets. Clients may from time to time invest a portion of its assets in securities issued by companies located in emerging market countries. The securities markets of emerging market countries as a whole have been volatile and the securities of issuers in emerging markets tend to be subject to abrupt or erratic price movements. Investing a significant portion of clients' assets in issuers in emerging markets will make clients susceptible to a greater degree than otherwise would be the case to factors affecting emerging markets in general and issuers in emerging markets included in clients' portfolio in particular, and may increase the volatility of the value of clients' portfolio investments.
- Management Risk. The success or failure of the Firm's investment portfolio management will vary with the outcome of our investment strategies, research, analysis and determination of portfolio securities. If the Firm's investment strategies do not produce the expected returns, the values of the investment will decrease.
- Selection Risk. An investment model that invests in actively managed private credit funds may underperform because of a fund manager's incorrect judgment about the attractiveness, value and potential appreciation of a particular borrower's assets and ability to repay the loan.
- Diversification Risk. Certain investment models and underlying funds may be non-diversified. These investment models and underlying funds may invest a greater percentage of their assets in a single fund or loans of a single borrower and in a relatively small number of borrowers. These investment models and underlying funds are more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio. Some of those borrowers may also present substantial credit risk.
- Alternative Investments Risks. Hedge funds, as well as private equity, venture capital, private real estate and other private partnerships typically engage in highly speculative trading strategies. These private funds are illiquid, their assets may also be illiquid and their performance results can be extremely volatile. Alternative funds may use fair valuation techniques, which are subjective, and there is no guarantee that the client would realize proceeds equal to fair value upon the sale of a security. Investments in alternative funds are illiquid, and the assets of the funds also may be illiquid. Private funds typically charge higher management fees

and performance fees, and these funds also incur their own operating expenses, which may be substantial.

- Hedging Transactions Risks. Certain investment strategies may make use of a variety of financial instruments, such as short sales, derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against declines in the values of their portfolio positions as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events.
- Use of Leverage Risk. Certain investment strategies will utilize leverage. Such strategies may utilize leverage to a degree that is not limited to any predetermined level but will be subject to applicable legal and broker-dealer imposed leverage limitations. Leverage may be achieved in numerous ways, including through margin borrowings, structured financings, and the use of synthetic instruments and derivatives. While the use of leverage can enhance returns under certain circumstances, it also exposes clients to greater losses from investments than would otherwise have been the case had leverage not been used. The use of leverage also subjects clients to the risk of default and the potential material adverse consequences to the client of a default.
- Foreign Investment Risks. Loans to non-U.S. companies and other similar contracts outside of the U.S. may be subject to greater risks than purely domestic investments for a variety of reasons, including currency controls, the fluctuation of currency exchange rates, and changes in monetary systems, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations.
- Analytical Risk. Our investment analysis methods rely on the assumption that the companies whose loan investments the Firm recommends, the independent appraisers that review the borrower's collateral, and other publicly available sources of information about the borrower and its business and assets, are providing accurate and unbiased data. There is always a risk that our analysis may be compromised by inaccurate or misleading information provided by or obtained from others.
- General Risks of Lending. The value of the Credit Funds' investments in debt instruments may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral, and/or there are extensive legal and other costs incurred in collecting on a defaulted instrument. SRAC may attempt to minimize this risk by maintaining low loan-to-liquidation values with each loan and the collateral underlying the loan. However, there can be no assurance that the value assigned by SRAC to collateral underlying a debt instrument held by the Credit Funds will be realized upon liquidation, nor can there be any assurance that collateral will retain its value. In addition, certain debt instruments may be supported, in whole or in part, by personal guarantees made by the borrower, or guarantees made by a corporation or other person affiliated with the borrower. The

amount realizable with respect to a debt instrument may be detrimentally affected if a guarantor fails to meet its obligations under its guarantee. Moreover, the value of the collateral supporting such debt instrument may fluctuate. In addition, active lending/origination by the Credit Funds may subject it to additional regulation, as well as possible adverse tax consequences to the Credit Funds and/or their investors. SRAC will seek to adopt appropriate procedures to minimize such risks. Finally, there may be monetary, as well as time costs involved in collecting on defaulted debt instruments and, if applicable, taking possession of and subsequently liquidating various types of collateral.

- Investments in Middle-Market and Lower-Middle-Market Businesses Involve a Number of Significant Risks. Investment in middle-market and lower-middle-market companies is highly speculative and involves a high degree of risk of credit loss, and therefore an investment in the Credit Funds may not be suitable for prospective investors with a low tolerance for risk. These risks are likely to increase during an economic recession.
- Long Term Trading. Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.
- Warrants or Other Equity Assets. When the Credit managers, their respective Funds they manage and/or their corresponding investors/clients, invest in certain debt instruments, they may acquire warrants or other equity securities as well. The Funds' goal is ultimately to dispose of such equity interests and realize gains upon its disposition of such interests. However, equity interests that are received by corresponding investor may not appreciate in value and, in fact, may decline in value. Accordingly, a corresponding investor/client may not be able to realize gains from its equity interests, and any gains that it does realize on the disposition of any equity interests may not be sufficient to offset any other losses such corresponding investor/client experiences, which may have a material and adverse effect on such Credit Fund's operating results.
- Litigation and Collection Costs. Should the Fund or the Investment Manager need to collect on a defaulted loan, litigation could result. There is a high cost associated with any litigation and the results of litigation are always uncertain. Even before litigation is commenced, the Fund could experience substantial costs in trying to collect on defaulted investments, such as legal fees, collection agency fees, or discounts related to the assignment of a defaulted loan to a third-party. In the case of cash flow constraints, Investors may be asked to contribute additional capital or the Investment Manager may seek third-party financing alternatives.

- Bank Loans and Participations. The Fund may invest in bank loans and participations. The special risks associated with these obligations include the possible invalidation of a transaction as a fraudulent conveyance under creditors' rights laws, lender-liability claims by the issuer of the obligations, environmental liabilities that may arise with respect to collateral securing the obligations, and limitations on the ability of the Fund to directly enforce its rights with respect to participations.

The Fund may participate in loans originated by third-party lenders. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that the third-party may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action without the knowledge of its co-lenders. In addition, the Fund may be liable for actions of its co-lenders. When the Fund engages in such indirect investments, fees may be payable to such third parties by the Fund, in addition to the fees already payable to the Investment Manager by the Fund.

- Lower Credit Quality Loans. There are no restrictions on the credit quality of the Fund's loans. Loans arranged by the Fund may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain loans may have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher potential return than better-quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of these loans also tend to be more sensitive to changes in economic conditions than better-quality loans.
- Lower-Rated Debt and Preferred Securities. The Fund may invest in debt instruments which are non-rated debt instruments and securities. Debt instruments and securities which are non-rated may be subject to greater risk of loss of principal and interest than rated and comparable non-rated debt and are generally considered to be predominantly speculative with respect to the issuers capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than debt instruments with ratings and comparable non-rated debt instruments in the case of deterioration of general economic conditions. The market for non-rated debt instruments is thinner, often less liquid and less active than that for rated and comparable non-rated debt instruments, which can adversely affect the prices at which such debt instruments can be sold and may even make it impracticable to sell such debt instruments. In the case of any defaults the Investment Manager may be forced to foreclose on the assets of the borrower and be an equity owner of such investment. These workout situations may occur privately in out-of-court restructurings or in formal bankruptcies.
- Target Market. The Fund expects to invest its assets in loans secured by various forms of collateral which will tend to have collateral value of less than \$100 million. While the Investment Manager believes these investments often provide a

sufficient margin of safety to a lender, investment in such loans may involve higher risks than investing in loans to larger borrowers or larger pools of assets.

- Non-performing Nature of Debt. Certain debt instruments purchased by the Fund may be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to these loans.
- Liquidity. Loans and interests in loans have significant liquidity risks and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly-traded securities.
- Fraud. Of paramount concern in loan investments is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Fund to perfect or effectuate a lien on the collateral securing the loan. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.
- Prepayment. The ability of an issuer of a debt security to prepay principal prior to the instrument's maturity can limit the potential for gains.
- Environmental Risks. The underlying collateral of the Fund's investments may also be subject to numerous statutes, rules and regulations relating to environmental protection, under which the Fund, in the event it has foreclosed on a mortgage, may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. The Fund may be exposed to substantial risk of loss from environmental claims arising in respect of such underlying collateral in the event of foreclosure.
- Reliance on Management to Service Collateral. While it is the Investment Manager's intent to invest in loans secured by assets which have established servicers and management in place, there can be no assurance that such management will continue to operate successfully. Although the Investment Manager will monitor the performance of each underlying loan, the Fund will rely on existing management to service collateral. Further, the Fund will likely not be able to exercise influence over collateral unless such collateral is foreclosed upon.

General Risk Factors

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

ITEM 9: Disciplinary Information

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

SRAC has no material facts to disclose regarding any legal or disciplinary events that would be material to an investor or potential investor's evaluation of SRAC or the integrity of SRAC's management.

ITEM 10: Other Financial Industry Activities and Affiliations

Additional Associated Firms

- Funds advised by SRAC: these funds aim to create customized, structured transactions tailored to meet the needs of each borrower, yet also developed with a keen focus on collateral coverage, due diligence and risk modeling. Funds include: OHPC LP, OHPLTD, LLC, OHPC II LP and PFM Recovery Fund I, LLC.

Material Relationships or Arrangements with Industry Participants

SRAC has entered into a number of separate side letter agreements, and may continue to do so, with certain investors that may waive or modify fees or provide additional risk management information. SRAC has also negotiated side letters with other investors to ensure that certain regulatory requirements applicable to such investors are met. Furthermore, SRAC reserves the right to waive certain fees for investors who are employees and/or affiliates of SRAC.

ITEM 11: Code of Ethics, Participation Interest in Client Transactions and Personal Trading

We will adopt a Code of Ethics that governs the management of potential conflicts of interest that we may have when providing our advisory services to our clients. The Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our clients and to instill a culture of compliance across the Firm. The Code of Ethics is structured to comply with Rule 204A-1 of the Advisers Act. An additional purpose of our Code of Ethics is to detect and prevent violations of securities laws, including the fiduciary obligation we owe to our clients.

Among other things, the Code of Ethics (i) requires that all employees submit to SRAC reports containing their personal securities holdings and transactions in reportable securities, and that SRAC review such reports, (ii) requires all employees to obtain pre-approval of all personal investments excluding certain “exempted transactions” (including, without limitation, direct obligations of the U.S. government, municipal bonds, commercial paper, CDs, money-market funds, open-ended mutual funds, investment trusts invested in open-ended mutual funds and listed stocks and equities not appearing on SRAC’s restricted list); and (iii) contains policies and procedures designed to prevent the misuse of material, non-public information. Our Code of Ethics is comprehensive, and shall be distributed to each employee at the time of hire, and annually thereafter. We also intend to supplement the Code of Ethics with annual training and on-going monitoring of employee trading activity.

SRAC, its employees, affiliates or their related persons may buy, sell or otherwise invest in securities for their own accounts that they also recommend to advisory clients. Each such related person transaction will be separately identified and made strictly in accordance with SRAC’s Code of Ethics. As discussed above, in order to manage this conflict of interest, such employee transactions will be reviewed in the best interests of the advisory clients and will be denied by the Chief Compliance Officer if there is risk of potential adverse consequences to the advisory clients. SRAC will also maintain a restricted list, which will prohibit related persons from purchasing or selling, directly or indirectly, any security that is: (i) being considered for purchase or sale by an advisory client; or (ii) being purchased or sold by an advisory client. Approval generally will not be given to related persons of SRAC for personal transactions in securities that are on the restricted list.

SRAC and its employees may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of SRAC. SRAC intends to adopt policies and procedures governing gifts and business entertainment, which includes disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

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

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

The fact that SRAC, its employees, affiliates or their related persons may also invest directly in any one, some or all of the Credit Funds creates a potential conflict in that it could cause SRAC to make different investment decisions than if they did not have such a financial ownership interest. Further, SRAC charges the Credit Fund fees based on a percentage of assets under management via the management fees and performance via the performance fee. The management fees are payable without regard to the overall success or income earned by the Credit Funds and therefore may create an incentive on the part of SRAC to raise or otherwise increase assets under management to a higher level than would be the case if SRAC were receiving a lower or no management fees. The receipt of a performance fee may create an incentive for SRAC to make investments that are riskier or more speculative than it otherwise would.

In addition, there are actual and potential conflicts of interest in the operation of SRAC and the management of its advisory clients. For example, the business activities of SRAC may include the origination of private debt as well as the purchase of such private debt in which advisory clients may participate. The advisory clients may purchase senior, subordinate, equity, participation or syndicated interests in private debt that may be originated by or invested in by SRAC. SRAC may receive an origination fee or other compensation in connection with the private debt it originates which may or may not be shared with the participating advisory clients. The limitation, if any, on the percentage of the appropriate advisory client's portfolio that may be invested in transactions originated and/or controlled by SRAC is disclosed in each advisory client's offering documents.

ITEM 12: Brokerage Practices

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

With respect to the SRAC Strategy, SRAC will seek to obtain “best execution” for its Clients. The Credit Funds generally invest in private credit transactions for which there is no wide market. SRAC, therefore, is usually limited in the selection of brokers, bankers and other deal introducing agents. Because of the nature and limited market of the transactions in which the Credit Funds invest, it is often impracticable for SRAC to solicit competitive bids, and SRAC does not have the ability to seek the lowest available commission. We will take into account a number of factors when choosing intermediaries. These factors include, among other things, commission rates and other transactional charges, the intermediary’s financial strength, stability, responsibility, reputation, reliability, responsiveness, ability to execute trades, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, efficiency of execution, and error resolution. Accordingly, transactions may not always be executed at the lowest available price or commission.

As of the date hereof, SRAC does not expect to enter into any soft dollar arrangements. In the event SRAC were to enter into any such arrangements, SRAC will abide by the principles and parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of commissions of “soft dollars” to obtain “research and execution” services.

Brokerage for Client Referrals

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

Block Trades

SRAC will allocate investment opportunities for each advisory client on a fair and equitable basis and generally apply the following criteria in order to achieve this objective:

- Appropriateness of the investment for the advisory client’s strategy
- Transaction amount
- Available cash in each advisory client account
- Diversity of each advisory client portfolio

Except when otherwise specified for a particular advisory client, SRAC will generally aggregate simultaneously purchase or sale orders in a particular security where such aggregation is believed likely to result in more favorable net results to each affected advisory client.

ITEM 13: Review of Accounts

We will review all client accounts on a periodic basis using various forms of reporting that are available. Active client accounts will be under continuous review with regard to investment policy, the suitability of the investments used to meet the policy objectives and the investment objectives of the particular account. Portfolios will be reviewed periodically to assess, among other things, investment performance, and sensitivity to market changes and whether the advisory client portfolio continues to meet the investment criteria established for that client.

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

ITEM 14: Client Referrals and Other Compensation

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

ITEM 15: Custody

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

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

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

SRAC may use additional qualified custodians in the future.

ITEM 16: Investment Discretion

The Firm will have discretion over the loans and other investments, including the selection and amount of securities to be purchased or sold for the Credit Funds without obtaining your consent or approval prior to each transaction. The SMAs and loan participations to be managed by the Firm generally will not afford the Firm investment discretion. Please refer Item 4 “Advisory Services” in this Brochure for more information on our discretionary management services.

If you enter into a non-discretionary arrangement in an SMA or loan participation with the Firm, we will obtain your approval prior to the execution of any transactions for your account(s).

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

Due to the nature of SRAC's investment strategies, SRAC expects to receive very limited, if any, proxy solicitations. SRAC will vote any such proxies in the best interests of its clients and in accordance with set compliance procedures .

ITEM 18: Financial Information

SRAC is not aware of any financial condition reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject to any bankruptcy proceeding.