

Firm Brochure
(Part 2A of Form ADV)

Item 1. Cover Page

Cain International Advisers Limited

Part 2A of Form ADV

Firm Brochure



April 25, 2024

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This Brochure provides information about the qualifications and business practices of Cain International Advisers Limited ("Adviser"). If you have any questions about the contents of this brochure, please contact Adviser in the UK at +44 (0)20 7569 9000 or via email at Legal@cainint.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additionally, registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Adviser also is available on the SEC's Investment Adviser Public Disclosure ("IAPD") website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Cain International Advisers Limited ("Adviser"), at any time, may make material changes to this Part 2A and will either send a copy or a summary of material changes along with an offer to send a copy to clients (either by electronic means or in hard copy form).

Prospective and current clients should carefully review this Brochure in its entirety.

The following material changes have been incorporated into this Part 2A since the annual amendment filed in March 2024:

- Effective April 22, 2024, Adviser's principal office and place of business is 72 Welbeck Street, 3rd Floor, London, United Kingdom, W1G 0AY.

Item 3.

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Item 4. Advisory Business

About Adviser

Cain International Advisers Limited ("Adviser"), a private limited company with company registration number 10486651, was incorporated in England and Wales on November 18, 2017.

Adviser has been registered with the U.S. Securities and Exchange Commission as an investment adviser, under the Investment Advisers Act of 1940, as amended, since March 2018.

Adviser is jointly owned by Eldridge Industries, LLC ("Eldridge") and Holne Investments Limited ("Holne"). Todd Boehly is Chairman, Chief Executive Officer, and controlling member of Eldridge. Jonathan Goldstein is the Chief Executive Officer and controlling shareholder of Holne.

Adviser's investment personnel are employed by affiliates of Adviser for operational purposes. Adviser treats those affiliates and their personnel as "access persons," "supervised persons" and "advisory affiliates" for purposes of the Investment Advisers Act of 1940 (the "Advisers Act"), and such affiliates and persons are included in references to "Adviser" throughout this Brochure.

History of Adviser

Eldridge and Holne founded and established Cain Hoy Enterprises LP in 2015 for the purpose of investing in real estate, real estate loans and operating companies that require real estate expertise. In 2016, Cain Hoy Enterprises LP changed its name to Cain International LP ("Cain International") to reflect its growing international presence.

Drawing upon their expertise managing assets in global real estate markets, Eldridge and Holne established Adviser in 2017 to offer real estate investment strategies and products to third-party clients, as well as to Eldridge, Cain International and their subsidiaries and affiliates. To facilitate Adviser's ability to provide investment advisory services to third-party clients, Cain International transitioned its investment teams and accompanying resources to Adviser. The investment teams continue to manage Cain International's real estate investment portfolio under investment advisory agreements between Adviser and Cain International.

Services Offered by Adviser

Adviser offers certain investment advisory and management services on a discretionary and/or non-discretionary basis, depending on the client's governance, structure, and needs. A variety of strategies are designed to allocate client capital across debt and equity capital structures with underlying real estate assets.

Adviser may, from time to time, prepare written commentary on general market conditions. The commentary will be designed to educate and inform current and prospective clients, consultants, and other business contacts. Adviser does not charge a fee for providing these commentaries and may determine in its discretion to discontinue this practice at any time. Adviser may provide such commentary to current clients but cannot guarantee that all such commentary will be provided to all clients.

Adviser focuses on global real estate and does not offer clients a complete investment program diversified across all asset classes. For further information regarding the investment risks associated with Adviser's strategies, please refer to the discussion below under *Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss"*.

Adviser is affiliated with Cain International Management Limited ("Jersey Manager"), a Jersey domiciled company, jointly owned by Eldridge and Holne, that serves as manager to Cain International European Real Estate Opportunity Fund I, LP (the "EREO Fund"), a private fund and a client of Adviser. Jersey Manager may serve as manager to additional investment vehicles that Adviser establishes in the future. Jersey Manager is exempt from registration under the Advisers Act pursuant to Section 203(m) and Rule 203(m)-1 under the Advisers Act.

Clients

Funds

Adviser provides non-discretionary investment advisory services to Jersey Manager in connection with its management of the EREO Fund. The EREO Fund is a Jersey domiciled limited partnership. Cain International European Real Estate Opportunity Fund I GP Limited, an affiliate of Adviser and Manager, is the general partner of the EREO Fund. Jersey Manager serves as manager to the EREO Fund.

Adviser intends to sponsor additional private funds to be offered to qualified investors in the United States and elsewhere (such funds, including EREO Fund, the "Funds"). Funds will generally invest through private holding companies in which an unaffiliated party also will hold an interest, referred to herein as "holding companies". Senior principals of Adviser will generally serve on holding companies' respective boards of directors and, in certain cases, otherwise act to influence control over management of holding companies in which the Funds have invested. Senior principals of Adviser serving on holding company boards will not receive compensation for such roles.

It is expected that such Funds will include those that take the form of a Jersey limited partnership and/or a Delaware limited partnership (or such other form and jurisdiction of incorporation as Adviser determines). An affiliate of Adviser will typically serve as general partner to Funds, and Jersey Manager may serve as manager to Funds. Adviser will provide non-discretionary investment management (or, in the circumstances set out in *Item 4 - "Regulatory Limitations and Strategy"*, discretionary investment management) services to Jersey Manager and/or the relevant Fund's general partner, as applicable. Jersey Manager and/or such general partner, as applicable, will rely upon the services it receives from Adviser to manage the Funds. Jersey Manager or the Fund's applicable general partner will generally manage the applicable Fund on a discretionary basis. Adviser's advisory services for the Funds are detailed in the applicable private placement memoranda or other offering documents of the relevant Fund.

Separately Managed Accounts

Adviser has entered into investment advisory agreements with its affiliates to manage Cain International's real estate investment portfolio, and to provide advice, analysis, and due diligence on real estate investment opportunities.

In addition, Adviser has entered into non-discretionary or, in the circumstances set out in Item 4 - "*Regulatory Limitations and Strategy*", discretionary investment management agreements with other clients seeking separately managed account strategies ("SMAs", which includes any such agreements with Cain International), which are established in consultation with such clients based on investment guidelines and objectives determined by Adviser and the clients. SMAs may impose restrictions on Adviser's authority to invest in specific types of investments.

Client Documentation

The documentation governing each Fund or other client relationship, which may include non-discretionary or, in the circumstances set out in Item 4 - "*Regulatory Limitations and Strategy*", discretionary investment management agreements, private placement memoranda or other offering documents, including any subscription agreements, limited partnership or other operating agreements or governing documents, (collectively, "Client Documentation") contains, among other things, detailed guidelines and restrictions regarding the types of investments and overall composition of a client portfolio, as well as Adviser's role and authority with respect to the portfolio. In the case of Funds, investment guidelines are generally not tailored to the individual needs of any particular investor in a Fund.

Adviser's relationships with certain clients and investors, including affiliates of Adviser, could result in a benefit to such persons relative to others reflected in Client Documentation for such clients. For example, the terms of SMAs with such clients may provide for more frequent, specific, or detailed information concerning the portfolio, strategy and specific investments in the portfolio than will be routinely provided to Adviser's other clients, unless requested, and Adviser may provide information to such clients without any obligation or commitment to provide the same information to all clients, subject to Adviser's obligations under the Advisers Act.

Additionally, Adviser and/or Jersey Manager may enter into side letter agreements or other similar separate agreements with certain investors, which may include affiliates of Adviser, in a Fund that have the effect of establishing rights under or altering or supplementing the terms of Client Documentation with respect to such investors. Subject to applicable laws and regulations, such different or supplemental terms may include, but are not limited to, information rights, excuse or "opt out" rights with respect to certain investments, liquidity/redemption rights, reduced management fees and carried interest/performance fees, and most favored nations clauses. Additional information with respect to side letter arrangements can be found in Client Documentation.

The Funds and clients under the SMAs are collectively referred to herein as "clients" for purposes of detailing Adviser's intended business. The description of Adviser's clients is not exhaustive; consequently, Adviser may provide advisory services to other types of clients not described herein.

To the extent there is a deviation between the general descriptions provided in this Brochure and the provisions and disclosures in Client Documentation applicable to a specific client, the terms of the Client Documentation shall govern with respect to such client.

Co-Investment

In certain circumstances and subject to relevant Client Documentation, Adviser may in its discretion, but is not obligated to, offer co-investment opportunities to Adviser Related Parties (as defined below) as well as other clients and/or third parties, for participation directly, indirectly or through co-investment vehicles advised or managed by Adviser. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund or other vehicle or investor making the investment. From time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase or dispose of a portion of an investment from or to one or more Funds.

Unless provided to the contrary in Client Documentation, Adviser may select co-investors in its sole discretion where such co-investor's participation in the co-investment would, in Adviser's opinion, be in the interests of the clients or investors participating in the co-investment based on, among other things, Adviser's ability to complete, operate, manage, dispose of or otherwise add value to the investment.

In Adviser's discretion, Adviser may waive or reduce fees paid by certain co-investors. In certain cases where co-investors evaluate a potential investment alongside existing clients and where the potential investment is not consummated, the full amount of any expenses relating to such potential but unconsummated investment are borne entirely by clients which would have made such investment, rather than Adviser or the co-investor, consistent with Adviser's policies and procedures and relevant Client Documentation. In the case of a consummated co-investment opportunity, clients will receive a smaller allocation than they otherwise might have had there been no participation from a co-investor.

Regulatory Assets Under Management

Adviser's Fund and SMA client regulatory assets under management is \$ 3,088,936,696 (all on a non-discretionary basis). In addition, as set forth in Form ADV Part 1 Schedule D, Adviser manages approximately \$ 2,248,066,626 of investments for affiliated entities (including Cain International) with which it shares common parent entities.

Regulatory Limitations and Strategy

Adviser is an "Appointed Representative" of Langham Hall Fund Management LLP ("Langham Hall"), which is authorized and regulated by the Financial Conduct Authority ("FCA") (FRN: 746018). As an Appointed Representative of Langham Hall, Adviser is not itself authorized by the FCA but is able to rely upon its appointment as an "Appointed Representative" to undertake certain UK regulated activities from the UK, principally being "advising" and "arranging" activities (i.e. non-discretionary investment management). As of the date of this Brochure, discretionary investment management services will therefore be limited to instruments that do not require Adviser to be authorized by the FCA in the UK to discretionarily manage such instruments.

Adviser may seek independent authorization by the FCA to enable Adviser to continue to perform the regulated activities it is permitted to perform as an “Appointed Representative” and in addition to undertake discretionary investment management. However, until such time as Adviser is independently authorized by the FCA and for so long as the Client Documentation requires it, Jersey Manager will exercise full responsibility for making and effecting investment decisions for the EREO Fund.

Item 5. Fees and Compensation

Management and Advisory Fees

All current and prospective clients should carefully review the Client Documentation in conjunction with this Brochure for complete information on the fees with respect to a particular client.

With respect to each Fund, Adviser’s management fee will be agreed in the Client Documentation and will typically be calculated as a percentage of committed and/or invested capital in the relevant Fund. With respect to each Fund, where Jersey Manager serves as manager, Adviser expects to be paid, for the services it provides with respect to that Fund, a fee equal to a percentage of any management fees received by or payable to Jersey Manager with respect to that Fund.

With respect to SMAs, Adviser generally will be paid a management fee, which typically will be based on a percentage of the amount of capital that has been funded with respect to a particular investment. The management fee will generally accrue at a mutually agreed upon annualized rate payable in arrears as of the period-end set forth in Client Documentation (expected to be monthly or quarterly) and will generally be prorated where appropriate. However, there will be no set SMA fee schedule, and management fees may vary from client to client based upon the type of services provided, size of the account, and relationship between the client and Adviser.

The amount of fees payable to Adviser (whether in respect of Funds, SMAs or otherwise), as well as the timing and manner of payment, is established on a case-by-case basis in the applicable Client Documentation received by the relevant client or investor in a Fund (as applicable).

Performance Fees

With respect to Funds, an affiliate of Adviser is also expected to receive carried interest on returns above an agreed hurdle. The hurdle and other terms of such carried interest is established under the Client Documentation applicable to the particular Fund.

With respect to SMAs, Adviser may receive from eligible clients performance or incentive fees constituting a percentage of profits or gains in addition to the management fees mentioned above. The terms of such fees are established under the Client Documentation applicable to the particular SMA.

Adviser, at its sole discretion, can elect to reduce, waive, or calculate differently the fees with respect to any clients.

See also *Item 6 - "Performance Based Fees and Side-by-Side Management"*.

Additional Fees

Adviser may charge SMA clients a one-time fixed subscription fee, commitment fees, and/or exit fees in addition to the management and performance fees mentioned above, each as agreed in the relevant Client Documentation. Adviser, at its sole discretion, can elect to reduce, waive, or calculate differently the fees with respect to any clients.

The subscription fee is typically a mutually agreed upon fixed amount, payable one-time in connection with the opening of an SMA, as set forth in the Client Documentation, and is designed to compensate Adviser for the costs of establishing the SMA. The subscription fee is generally payable within 10 business days after signing an SMA, subject to any different payment terms contained in Client Documentation. The subscription fee may vary from client to client based upon the type of services provided, size of the account, and relationship between the client and Adviser.

Commitment fees typically will be based on the amount of committed but un-drawn capital in the client's account. Commitment fees accrue at a mutually agreed upon annualized rate payable in arrears as of the period-end set forth in Client Documentation and will generally be prorated where appropriate. Commitment fees are designed to cover costs associated with keeping an active pipeline of investment opportunities.

In certain circumstances, for certain SMA clients, Adviser may charge an exit fee upon early termination of Client Documentation. The purpose of such fees is to provide compensation to Adviser for seeking to identify, source or present investment opportunities from the date of the SMA until termination of the SMA in accordance with its terms. Exit fees compensate Adviser for services rendered and resources committed by Adviser prior to such early termination. Where applicable, such fees are described in greater detail in the relevant Client Documentation.

Client Documentation will contain detailed provisions around termination of the relationship between Adviser and the client. In general, with respect to clients participating in Adviser's fixed income / real estate lending strategies, Client Documentation will permit termination of Adviser with respect to amounts allocated to specific investments only following certain agreed upon "for cause" events. Such restrictions on termination are designed to protect Adviser's ability to manage an investment through realization and obtain the best economic result for all clients participating in the investment. Clients should read Client Documentation carefully before engaging Adviser.

Subject to the terms of Client Documentation, Adviser may recommend that clients invest in assets that charge additional fees to a client, such as co-investment vehicles or holding companies to whom Adviser or an affiliate may charge additional fees, resulting in multiple layers of fees on an investment. Adviser and its affiliates may receive these additional fees, as well as commissions, other remuneration, and/or profits made in some transactions involving affiliated entities. Any such compensation is in addition to the fees described above and, unless specifically provided for in Client Documentation will not offset or otherwise reduce these or other fees or expenses payable by the client. As a result, Adviser has an incentive to select investments based on compensation to affiliates rather than a client's needs. For more information on transactions involving affiliated entities, including Adviser's procedures for addressing and disclosing the conflicts to clients,

please see Item 11 – “*Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading*”.

At the direction of the client, Adviser generally will deduct its fees from a client's account (but may, in its discretion, bill client directly) with the frequency set forth in Client Documentation (e.g., quarterly).

To the extent there is a deviation between the general descriptions provided in this Brochure and the provisions and disclosures in such Client Documentation applicable to a specific client, the terms of the Client Documentation shall govern.

Expenses

Expenses borne by clients are set forth in relevant Client Documentation, which generally allows payment (or reimbursement) to Adviser of costs and expenses incurred by Adviser in connection with the establishment and offering of a Fund (including e.g. legal, accounting, printing, costs), costs and expenses incurred by Adviser in connection with the formation or structuring of investments, including all "dead deal" costs, acquisition, ownership or realization of investments, legal fees, tax and financial advisers' fees, bank charges, sourcing co-investment capital, third-party indebtedness, administration fees and litigation fees, and meetings of the fund investors or the advisory committee, but excluding the Jersey Manager's and Adviser's own overhead costs and expenses. Clients will also reimburse Adviser for costs and expenses paid to professional service providers that are not contractually borne by a third party (e.g., the borrower with respect to a loan investment), costs that are specific to a particular client (e.g., tax advice obtained on behalf of a client), and all other costs and expenses agreed between the client and Adviser. Such costs and expenses may include additional compensation payable to Adviser or its affiliates in connection with management or other services performed for holding companies in which Funds or SMAs have invested.

Costs and expenses typically borne by an SMA client relating to investments include: paying agent and legal fees. Please also see *Item 12 – “Brokerage Practices”* for additional information on brokerage costs.

Costs and expenses borne by more than one client will be allocated in accordance with Adviser's policies and procedures in effect from time to time. Adviser's allocation methodologies seek to allocate expenses in a manner that generally reflects each client's relative consumption of resources, relative allocation of benefits and/or other equitable considerations that may be appropriate under the circumstances. In some circumstances, to the extent set forth in Client Documentation, a client bears 100% of the expenses attributable to an unconsummated investment. This could occur in instances, among others, where a client is primarily focused on the relevant strategy and the potential co-investment group is not guaranteed an allocation of the relevant transaction.

In addition, clients bear all expenses incurred in connection with their organization and ongoing operations, including, without limitation, taxes and other related costs; legal, audit, tax preparation and accounting fees; and costs of litigation or other "extraordinary" events.

Adviser and its affiliates use some of the same service providers as are retained for clients. In some cases, rates or discounts are or will be offered to Adviser or its affiliates by these service providers which differ from those offered to clients by such service providers. Where Adviser is in a position to control the cost of services, it seeks to obtain favorable rates or discounts extended to it to costs borne by clients, to the extent such services are of a similar scope, type and nature. There is no assurance that Adviser will be successful in securing favorable rates or discounts for clients.

Item 6. Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

As mentioned under "Fees and Compensation" above, Adviser receives performance-based compensation from clients who are "Qualified Clients," (as defined in the Advisers Act) in accordance with applicable requirements of the Advisers Act and terms set forth in the relevant Client Documentation.

Performance-based fees generally apply once clients have received a return of their capital and a specific minimum return, and will generally be calculated on a realized basis, after taking in to account any permanent write-downs. Performance-based fees will generally be paid upon realization of relevant aggregate investments, or as otherwise agreed in the Client Documentation. Performance fees vary across clients based on the type of service provided, size of the account, and the overall relationship between Adviser and the client. Adviser, at its sole discretion, may reduce, waive or calculate differently performance-based fees with respect to any client (as well as, in the case of Funds, among investors in the same Fund).

Performance-based fees in some cases may be based on the value and performance of the assets in respect of which Adviser is providing services. Adviser will value the asset in accordance with its valuation procedures, or as otherwise agreed in the Client Documentation. Adviser's role in determining the fair value of investments in clients' portfolios may pose a conflict because Adviser has an incentive to value investments either higher or lower, as the case may be, in order to affect client performance or to generate increased performance-based fees. Adviser has policies designed to monitor, mitigate and resolve such conflicts. Please see Item 11 – "*Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading*" for more information on Adviser's valuation policies.

Different types of performance-based fees mean that Adviser may receive a higher performance-based fee for some client accounts than for others and between Funds, as well as among investors in the same Fund.

Adviser may also have greater pecuniary interest in the performance of some client accounts relative to others. For example, Adviser may be entitled to a carried interest or other compensation that is based on the performance of one client account but not another. The simultaneous management of clients that pay performance-based fees and clients that pay only management fees or performance-based fees calculated in a different manner creates a potential conflict of interest as Adviser may have an incentive to favor clients with the potential to generate higher fees.

Performance-based compensation arrangements reward Adviser for positive performance, and thus create an incentive for Adviser to recommend investments that may be riskier than those that would be recommended under a different compensation arrangement.

The above conflicts of interest are mitigated by investment guidelines, objectives, and restrictions, including risk parameters, agreed with clients and contained in Client Documentation that typically constrain Adviser's discretion to select speculative investments.

Side-by-Side Management

Adviser provides services for a variety of clients who will pursue similar, competing or complementary investment objectives, policies or strategies. This side-by-side management of multiple accounts creates a variety of potential and actual conflicts of interest for Adviser, including the incentive to favor certain clients with performance-based fees, higher fee-paying clients or those clients where Adviser (or its affiliate(s)) have a pecuniary interest. In cases where availability or liquidity of investment opportunities is limited, side-by-side management of multiple accounts may create potential conflicts. Adviser has an allocation policy designed to mitigate these conflicts by seeking to allocate investment opportunities among eligible clients in a manner deemed by Adviser to be fair and equitable over time, subject to, and consistent with, client guidelines, objectives and strategies. See Item 11 - "*Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading*" for more information regarding Adviser's allocation policy.

Item 7. Types of Clients

As described in Item 4, Adviser provides and intends to continue to provide non-discretionary investment management services (or, in the circumstances set out under Item 4 - "*Regulatory Limitations and Strategy*", discretionary investment management services) to Funds. The Funds may include investment partnerships or other investment entities formed under foreign laws and operated as qualifying private funds under the Investment Company Act of 1940. Funds generally will have a minimum investment amount as provided in the relevant Client Documentation. With respect to US investors, Fund interests will be offered and sold solely to US investors, including affiliates of Adviser, who are qualified purchasers and accredited investors that are also Qualified Clients. Minimum investment amounts may be waived pursuant to the applicable Client Documentation.

Adviser also expects to provide investment advisory services to institutional SMA clients including corporate pension and profit-sharing plans, trusts, estates, charitable organizations, municipalities, foreign financial institutions and sovereign wealth funds, endowments, corporations and business entities (including affiliated and unaffiliated insurance companies), and other affiliated entities. Generally, Adviser's SMA clients will be required to meet net worth and other requirements as set forth in the applicable Client Documentation.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Adviser's overall investment methodology is described below. Clients should review the applicable Client Documentation for more detailed information regarding the investment strategies

to be employed in connection with and/or any investment restrictions that pertain to a client's particular investments. There can be no assurance that Adviser will achieve a client's investment objectives and a loss of investment is possible.

Adviser is a private investment firm with a track record of building value through the repositioning, redevelopment and intensive management of real estate assets and the operational improvement of corporate entities with real estate assets. Adviser's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments.

Adviser uses fundamental and technical analysis to formulate client investment opportunities. In addition, Adviser may consider industry research, economic theory, quantitative methods and market data.

There can be no assurance that Adviser will achieve the investment objectives of any Fund or SMA, and a loss of investment is possible.

Risks of Investment

Investing involves a risk of loss that clients of Adviser should be prepared to bear. Investments are suitable only for persons who can bear the economic risk of the loss of their entire investment, have a limited need for liquidity in their investment and meet the conditions set forth in Client Documentation. Clients should carefully consider, among other factors, the following material risks involved with Adviser's investment strategies. Past performance is not indicative of future results.

The following should not be considered and does not purport to be a summary of all the risks associated with Adviser's investment strategies. Rather the following are risks which Adviser reasonably believes to be material or unique relative to the particular investment strategies or methods Adviser employs. Clients should consult their own legal, tax and financial advisors, prior to engaging Adviser as a manager.

SMAs and Funds will be limited to certain types of investments and will not be diversified by asset type. An SMA advised or managed by Adviser or investment in a Fund advised by Adviser is not a complete investment program. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

General Market Risks. Investments made by our clients are materially affected by conditions in the global financial markets and political and economic conditions throughout the world, such as inflation rates, the availability and cost of credit, interest rates, changes in laws, trade policies, currency exchange rates, general economic uncertainty, and catastrophic events such as floods, earthquakes, fires, hurricanes, tornadoes, and pandemics. These factors are outside of our control and may affect the liquidity and value of real estate investments and we may not be able to manage our exposure to these conditions, which may result in losses for our clients.

Real Estate Ownership Risks. Investing in real estate is subject to numerous risks. Strategies will be subject to all the risks inherent in the ownership of real estate, such as fluctuations in occupancy rates, increases in energy costs and other expenses, variations in rental

schedules, local economic conditions, supply and demand for housing, zoning laws and other laws and regulations. Since certain costs of owning and operating real estate are fixed and do not generally decrease with declines in occupancy rates, the cost of operating a property may exceed the income generated therefrom. If a property does not maintain high occupancy levels, it may not generate sufficient revenue to pay all of its expenses and to meet the debt service requirements of its mortgage. If any operating entity receives government assistance, the applicable government agency may be unable or unwilling to permit rent increases necessary to pay increased operating expenses, or the effectiveness of permitted rent increases may lag behind increases in operating expenses. Moreover, in affordable housing investments increases in rents could result in some tenants and apartment units losing their low-income status and a concomitant reduction in the tax credits of that operating entity and recapture of a portion of the tax credits previously taken.

General Real Estate Considerations. Real estate historically has experienced significant fluctuations and cycles in value that may result in reductions in the value of real estate-related investments. The marketability and value of the investments undertaken by Adviser on behalf of its clients depends on many factors beyond the control of Adviser. The ultimate performance of such investments is subject to the varying degrees of risk generally incident to the financing, ownership, market and operation of the underlying real property. The ultimate value of a client account's investment in the underlying real property depends upon the real property owner's ability to operate the real property in a manner sufficient to maintain or increase revenues in excess of operating expenses and debt service or, in the case of all properties, the ability of any lessees to make rental payments.

Real estate investments are subject to various risks, including:

- acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses;
- acts of war or terrorism, including the consequences of terrorist attacks;
- adverse changes in national and local economic and market conditions including local markets with a significant exposure to the energy sector, which may be affected by the current low prices of oil and related gas that could adversely affect the success of tenants in that industry;
- changes in governmental laws and regulations (including their interpretations), fiscal policies (and in the availability, cost and terms of mortgage funds) and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- costs of remediation and liabilities associated with environmental conditions such as indoor mold;
- the potential for uninsured or under-insured property losses;
- the financial condition of tenants, buyers and sellers of properties; and
- competition from other properties offering the same or similar services.

These risks will be more severe during periods of economic slowdown or recession if these periods are accompanied by declining real estate values. Declining real estate values would likely reduce the level of new mortgage and other real estate-related loan originations since borrowers often use appreciation in the value of their existing properties to support the purchase or investment

in additional properties. Borrowers may also be less able to pay principal and interest on loans if the value of real estate declines. Further, declining real estate values significantly increase the likelihood that Adviser's clients' portfolios will incur losses on loans in the event of default because the value of the collateral may be insufficient to cover the remaining obligation due on the loan. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect Adviser's ability to invest in and sell.

Risks of Development and Repositioning. Client portfolios may include direct or indirect investment in properties under development, properties that are not fully leased, and properties that are to be rehabilitated or altered prior to being leased. Completion of construction and leasing may be delayed by numerous factors beyond the control of Adviser or the entity in which Adviser invests which is managing the property, including strikes, adverse weather, labor or material shortages, regulatory delays, and defaults by contractors. Properties that are being constructed, rehabilitated, or altered, or which are not fully leased, are subject to greater risks than properties that are complete and leased. Construction delays, overruns, and defects may adversely affect costs of completion, cash flow, value, and the ability to obtain financing.

Risks of Real Estate Lending. Adviser may invest client portfolios in real estate-related debt investments, including loans that are subordinated to other loans made to the same borrower. These types of investments are subject to the risk of default by the borrower, mismanagement or decline in the value of the collateral for the loan, and the cost, delay and uncertainty associated with enforcement following default, including the bankruptcy of the debtor and claims of lender liability or violation of usury or other laws. Real estate-related debt investments are also subject to inflation risk where the interest rate is fixed.

Joint Venture and Other Non-Wholly-Owned Investments. Adviser may invest client portfolios in partnerships or other joint ventures with other persons. Client portfolios and such other entities may purchase interests in REIT operating partnerships or other real estate joint ventures in the secondary market. Joint venture investments may involve risks not otherwise present, including, for example, the possibility that a co-venturer might become bankrupt, or may at any time have tax, economic or business interests or goals that are inconsistent with those of Adviser, or that such co-venturers may be in a position to take action contrary to the client's policies or objectives. Joint venture investments may also have the potential risk of impasse on decisions because neither co-venturer would have full control over the joint venture. In addition, the entities through which the client assets are invested may be liable for actions of its co-venturers or partners.

Use of Leverage. With respect to Adviser's equity strategy, certain entities in which Adviser invests client portfolios directly or indirectly are expected to borrow to make investments. These entities may also enter into derivative transactions that create investment leverage. A decline in the value of a client's investment portfolio could further increase leverage. Leverage increases financial risk by magnifying the impact of a reduction in property cash flow on net operating income after interest available to the client's portfolio and similarly magnifies the impact that a decrease in the value of investments would have on the net asset value of the client's portfolio. If the entities in which Adviser invests the client's portfolio have insufficient cash flow to pay required debt service, lenders to these entities could foreclose on the collateral securing their debt. Entities in which Adviser invests the client's portfolio may hold a substantial number of assets and

may represent a material portion of the net asset value of the client's portfolio. These entities may structure financings with recourse limited to specified assets or may become liable without limitation on borrowings, in which event a loss associated with a default under the financing would not be limited to a particular investment.

With respect to Adviser's debt strategy, client accounts' performance is dependent upon the ability to use leverage. Such client accounts' ability to obtain the leverage necessary on attractive terms depends upon many factors including market conditions and the client accounts' performance. The failure to obtain leverage at the contemplated advance rates, pricing and other terms could have a material adverse effect on such client accounts. Leverage creates an opportunity for increased returns, but at the same time creates risks. There can be no assurance that such client accounts' use of leverage will prove to be beneficial. Moreover, there can be no assurance that such client accounts will be able to meet their debt service obligations and, to the extent that they cannot, such client accounts risk the loss of some or all of their assets or a financial loss if the client accounts are required to liquidate assets at a commercially inopportune time. In addition, the debt may be recourse for such client accounts so an impairment or potential impairment of an investment may create a risk of loss of some or all of their assets.

Adviser may cause certain clients to guarantee debt incurred by entities in which it invests directly or indirectly and to secure such guaranties with security interests in assets of the client's portfolio. In that event, a default on indebtedness guaranteed by a client could be expected to affect the client's portfolio directly as well as indirectly through the decline in value of the indirect investment in the borrowing entity.

Size and Absence of Diversification. The level of diversification which can be achieved and maintained within a client's portfolio depends on the portfolio, and any parallel investment accounts and vehicles managed by Adviser, achieving, and maintaining sufficient size. There can be no assurance that any client's portfolio will be as diversified as is desirable. If the client's portfolio or the entities through which it invests do not achieve and maintain sufficient size, Adviser's ability to select among desirable investments and markets, and negotiate attractive terms, may be adversely affected.

Illiquidity of Investments. Equity real estate investments, and in many cases debt real estate investments, are illiquid. Such illiquidity will limit the ability of Adviser to vary client portfolio promptly in response to changes in economic or other conditions.

Default Risk. If there is a default on a loan or other instrument in a client portfolio, the defaulted borrower often ceases to fund its obligations as they become due. The defaulting borrower usually becomes subject to lengthy and substantial workout negotiations or restructuring, often resulting in, a reduction in interest rates on obligations, a write-down of principal and/or change in the terms, conditions, covenants with respect to the defaulted obligation, all of which can be substantial; including the possibility that equity of the borrower will be issued in exchange for the original obligation, in whole or in part. While loans are often secured by collateral, losses can result from default and foreclosure. The value of the underlying collateral, the creditworthiness of the obligor and the priority of the lien will have a significant impact on the potential recovery of a defaulted investment. There is no assurance that the liquidation proceeds of collateral will be

sufficient to satisfy the entire outstanding balance of principal and interest on the loan, resulting in a possible loss of all or part of an investment in a client portfolio.

Risks Associated with Bankruptcy Cases. Bankruptcy cases are adversarial and may be lengthy. While creditors generally are afforded an opportunity to object to significant actions in bankruptcy proceedings, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of clients. If Adviser were determined to have taken over management and functional operating control of a debtor, it could lose its ranking and priority as a creditor. Reorganizations can involve substantial legal, professional and administrative costs, are subject to unpredictable and lengthy delays and, during the reorganization process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. Certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Investment in companies domiciled outside the United States involves additional risks. The law and process in such jurisdictions may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. While Adviser generally favors jurisdictions where it believes the rule of law is clear, well-developed and respected, there can be no assurance that the outcome of bankruptcy or insolvency proceedings, particularly in jurisdictions outside the United States, will result in a favorable outcome.

On behalf of one or more clients, Adviser may serve on creditors' committees, official or unofficial, equity holders' committees or other groups to seek to preserve or enhance such client's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If Adviser concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to its clients, it may be necessary to resign from that committee or group if such conflict cannot be appropriately resolved, and clients may not realize the benefits, if any, of participation on the committee or group.

Valuation Risk. Valuation of investments in client portfolios (which can be used to determine the amount of Adviser management and performance-based fees and calculate Adviser's performance track record data) will involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, clients could be adversely affected. Independent pricing information may not be available or reliable. Certain investments will be difficult to value and be subject to varying interpretations of value and on certain occasions will need to be valued by Adviser. While Adviser's valuation methodologies are intended to be fair, there is no assurance that this will be the case and independent verifications of such valuations should not be expected.

Distressed Assets Risk. Investments in real estate that is distressed, non-performing, underperforming, undercapitalized, subject to liquidity constraints or otherwise troubled. Although such investments may offer the opportunity to realize returns, they involve a substantial degree of risk, and there can be no assurance that there will be any return of capital. Furthermore, investments operating in insolvency may, in certain circumstances, be subordinated to third-party creditors, including lender liability, which could exceed the value of the original investment. In addition,

under certain circumstances, payments to the holders of such investments may be reclaimed (and required to be returned) if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law. Bankruptcy laws may delay the ability of investors in distressed assets to liquidate collateral for loan positions or may adversely affect the priority of such loans through doctrines such as equitable subordination, among others.

Concentration Risk. Clients may invest in a strategy that concentrates investments in particular issuers, countries, industries, sectors, or asset classes which has greater exposure than other strategies to market, economic and other factors affecting those components.

Counterparty Risk. Certain accounts are subject to credit risk (meaning the risk of adverse changes in an issuer's real or perceived financial strength) with respect to counterparties to derivatives and other financial contracts entered into by Adviser on behalf of the client. Adverse changes to counterparties may cause the value of financial contracts to go down. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the value of investments in the account may decline.

Market Volatility Risk. The value of investments may decline due to changing economic or market conditions. Economic or market developments can affect a single industry, economic sector or geographic region, or the market as a whole. Different parts of the market and different types of investments can react differently to these developments. Every investment has some level of market volatility risk.

Interest Rate Risk. Real estate related investments from time to time will have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of one or more of a client's investments. Changes in the general level of interest rates can affect the income to client accounts 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.

Currency Risks. Investments are subject to the risk that the value of a particular currency will change in relation to one or more other currencies, including, generally, the currency in which the books of the client are kept and currencies in which contributions and distributions generally will be made. Among the factors that may affect currency values are trade balances, the level of short term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Clients may incur costs in converting investment proceeds from one currency to another. Investments in any country in which U.S. dollars are not the local currency may be affected by such changes in the value of foreign exchange between the U.S. dollar and such currency. Such changes may have an adverse effect on the value, price or income of the investment to such investors. There may also be foreign exchange regulations applicable to investments in non-U.S. currencies in certain jurisdictions.

Competition; Availability of Investments. There is a high degree of competition for attractive investments. There can be no assurance that Adviser will be able to identify or

successfully pursue and obtain investment opportunities in all market conditions. Competition for suitable investments will reduce the availability of investment opportunities.

Diverse Client Group. Clients will have conflicting investment, tax and other interests with respect to each of their respective investments in a given deal. As such, conflicts of interest are expected to arise among clients participating in overlapping investments. In making investment decisions as the investment manager, Adviser considers the investment and tax objective of the investment as a whole.

Information Technology Security Risk. Adviser employs information technology systems, consisting of end-user computers and devices, infrastructure, applications and communications networks to support Adviser's business operations. Systems, networks and devices can nevertheless be breached and Adviser and its clients could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access, functionality or cause corruption of sensitive and confidential information. Cybersecurity breaches will cause disruptions and impact Adviser's business operations potentially resulting in a financial loss to clients due to interference with Adviser's ability to monitor client portfolios, violations of privacy law, regulatory fines and penalties, reputational damage or additional compliance costs. Adviser seeks to mitigate attacks on its systems; however, such measures cannot provide absolute security. Adviser will not be able to directly control the risks of third-party systems to which Adviser relies upon or connects. Any breach in security of the systems that Adviser relies upon could disrupt its business and its ability to provide services to clients and will cause clients to suffer, among other things, financial losses, disruption of business, liability to third parties, regulatory intervention and/or reputational damage. Any of the foregoing can have a material adverse effect on Adviser and clients' portfolios.

Pandemic Risk. Advisory activities or portfolio company operations could be adversely affected by events outside of Adviser's control, such as natural disasters or health epidemics. The Fund or Adviser's portfolio companies may incur expenses, delays, or interruption of critical business functions relating to such events outside of Adviser's control, which could have a material adverse impact on Adviser's investment advisory business including, but not limited to, the financial conditions or prospects of portfolio companies and the sourcing of new investment opportunities. Such material adverse impact could, in turn, adversely affect the performance of the Fund(s).

Business and Regulatory Risks. Legal, tax and regulatory changes in the United States and outside the United States could occur and likely will affect clients and Adviser. In addition, the financial markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect the implementation of Adviser's investment strategy. Alternatively, new United States or non-United States rules or legislation regulating clients or Adviser are likely to be adopted, and the possible scope of any rules or legislation is unknown. There can be no assurances that clients or Adviser will not in the future be subject to regulatory review or discipline. The effect of any regulatory changes or developments on clients

or the financial markets will be expected to affect the manner in which Adviser performs its advisory services. The effect of any future regulatory change could be substantial and adverse and is beyond the control of Adviser.

Political Uncertainty Risk. The United States markets, as well as other markets to which client accounts are exposed, may experience political uncertainty and/or change (e.g., Brexit or other policy shifts) that subjects investments to heightened risks. These heightened risks may include: greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political instability (including the risk of war or terrorist activity); governmental involvement in the economy; less governmental supervision and regulation of the securities markets and market participants; controls or restrictions on foreign investment, capital controls, ability to exchange currencies; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques.

During times of political uncertainty, the global securities, derivatives and currency markets often become more volatile. There also may be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations may become more limited.

Markets experiencing political uncertainty may have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates may have negative effects on such countries' economies and securities markets.

There can be no assurance that political changes or policy decisions, directly or indirectly, will not cause a client to suffer a loss of any or all of its investments or, in the case of fixed income investments, interest thereon.

Shared Services Arrangements. Adviser and certain Adviser Related Parties (as defined below) have entered into shared services arrangements whereby Adviser Related Parties provide certain administrative services to Adviser. These arrangements are important to the ongoing operations of Adviser, and therefore, any major changes or termination to these arrangements may be material. Although fees incurred and paid to Adviser Related Parties for such services generally are expected to be competitive with the market, there is an incentive for Adviser to utilize Adviser Related Parties rather than third parties even though a third-party may provide the same or higher quality services at similar or reduced rates.

Changes to Benchmark Rates. To the extent that a client's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate (SOFR) or other rates (each, a "Benchmark Rate"), the client may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments, and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the clients and their portfolio companies; increase the cost of borrowing; reduce the value of certain

instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Russia-Ukraine Conflict. The ongoing military conflict between Russia and the Ukraine has caused disruption to global financial systems, trade, and transport, among other things. In response, multiple countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to clients. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities, and reductions in the availability of capital. It may also limit the ability of Adviser to source, diligence, and execute new investments and to manage, finance, and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal, and regulatory frameworks and systems in ways that are adverse to the investment strategy which any client intends to pursue, all of which could adversely affect the Adviser's ability to fulfill its investment objectives.

October 7th Attacks on Israel; Aftermath. On October 7, 2023, Hamas (an organization which governs Gaza, and which has been designated as a terrorist organization by the United States, the United Kingdom, the European Union, Australia, and other nations), committed an attack within Israel (the "October 7th Attacks"). As of the date of this document, Israel and Hamas remain in active armed conflict. The ongoing conflict and rapidly evolving measures in response could have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of the clients and their investments. The severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and as a result, present material uncertainty and risk with respect to the clients and the performance of their investments and operations, and the ability of the clients to achieve their investment objectives. For example, the armed conflict could expand and could ultimately more actively involve the United States, Lebanon (and/or Hezbollah), Syria, Iran, and/or other countries or terrorist organizations, any of which could exacerbate the risks described above. Similar risks exist to the extent that any issuers, service providers, vendor or certain other parties have material operations or assets in the Middle East, or the immediate surrounding areas. The United States has announced sanctions and other measures against Hamas-related persons and organizations in response to the October 7th Attacks, and the United States (and/or other countries) could announce further sanctions related to the ongoing conflict in the future.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the alternative asset management industry. There can be no assurance that any such scrutiny or

regulation will not have an adverse impact on a client's activities, including the ability of Adviser to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives, or on the performance of its clients' investments.

The combination of such scrutiny of asset managers and their investments by various politicians, regulators, and market commentators, and the public perception that certain alternative asset managers contributed to past downturns in the United States and global financial markets, may complicate or prevent a client's efforts to structure, consummate, and/or exit investments.

Private Funds Rules. On August 23, 2023, the SEC voted to adopt previously proposed new rules and amendments to existing rules (collectively, the "Private Funds Rules") under the Advisers Act specifically related to registered investment advisers and their activities with respect to private funds they advise. In particular, the Private Fund Rules, will, among other changes, require registered investment advisers to: prepare and distribute to private fund investors quarterly statements containing detailed information about compensation, fees and expenses, portfolio investments and performance; obtain an annual audit for all private funds they manage; and to obtain a fairness or valuation opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries). In addition, the Private Funds Rules restrict all investment advisers from engaging in certain practices unless they satisfy certain disclosure requirements and, in some cases, consent requirements: such as, without limitation, charging private fund clients fees and expenses associated with regulatory and investigation-related expenses, charging non-pro rata fee and expense allocations, reducing the amount of any clawback of advisory fees by actual, potential or hypothetical taxes, and borrowing money from a private client. The Private Funds Rules also prohibit advisers from providing certain forms of preferential treatment to investors related to liquidity and information rights unless they meet specified conditions, and require advisers to make certain disclosures to private fund investors with regard to preferential treatment provided to investors in that fund. The compliance dates for the Private Fund Adviser Rules are in September 2024 or March 2025, depending on the particular provisions. While the full extent of the Private Funds Rules' impact cannot yet be determined, it is generally anticipated that they will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory action. It is expected that the private funds advised by Adviser will bear (either directly or indirectly) certain regulatory and compliance costs relating to the Private Funds Rules. For these reasons, the Private Funds Rules could have a material negative impact on the operations and financial performance of Adviser's investment adviser entities and the private funds that they manage.

The Private Funds Rules are complemented by amendments to the books and records and compliance rules under the Advisers Act that require, respectively, registered investment advisers to private funds to retain certain records evidencing their compliance with the Private Funds Rules and all registered investment advisers to document their annual compliance review.

In addition, the SEC (in May 2023) and the SEC and CFTC jointly (in February 2024) adopted changes to Form PF. Furthermore, in February 2023, the SEC proposed extensive amendments to the Custody Rule. If adopted, the amendments would require, among other things, that a registered investment adviser such as Adviser: obtain certain contractual terms from each

advisory client's qualified custodian; document that privately-offered securities cannot be maintained by a qualified custodian; and promptly obtain verification from an independent public accountant of any purchase, sale or transfer of privately-offered securities. The amendments also would apply to all assets of a client, including real estate, contracts and other assets that generally are not considered securities under the federal securities laws. Such increased obligations generally increase costs, including if Adviser and its personnel is required to spend more time, hire additional personnel, or buy new technology to comply effectively, and may be borne by clients to the extent permitted by law and applicable Client Documentation.

Misconduct of Personnel; Third-Party Service Providers. There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to Adviser. Misconduct by employees or by third-party service providers to Adviser or a client could cause significant losses to a client. Employee misconduct could include, among other things, binding a client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to a client or Adviser. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Client's business prospects or future activities. Furthermore, because of Adviser's diverse businesses and the regulatory regimes under which they operate, misdeeds by an Adviser entity (or its personnel) may result in foreclosing a client's ability to conduct its activities in the manner otherwise intended in one or more jurisdictions. It is not always possible to deter misconduct by employees or service providers, and the precautions the Adviser takes to detect and prevent this activity may not be effective in all cases.

Risks of Third-Party Service Providers. Certain of a client's and Adviser's operations interface with and/or depend on third parties, and such client or Adviser may not be in a position to verify the risks or reliability of such third parties. A client may suffer adverse consequences from actions, errors, or failure to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. The costs, fees, and expenses associated with the provision of such services by third party service providers will generally be borne by a client instead of its general partner or Adviser, thereby increasing the expenses borne by such clients.

Limited Transferability of Fund Interests. There is no public market for each Fund's interests, and none is expected to develop. There are substantial restrictions upon the transferability of each Fund's interests under the Client Documentation and applicable securities laws. In general, withdrawals of the Funds' interests are not permitted. In addition, the Funds' interests are not redeemable.

Conflicting Investor Interests. Limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by Jersey Manager or a general partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, Jersey Manager and each general partner generally will

consider the investment and tax objectives of the applicable Fund and its limited partners, not the investment, tax, or other objectives of any limited partner individually.

Alternative Investment Fund Managers Directive. The EU Alternative Investment Fund Managers Directive (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (“EEA”). If a Fund is actively marketed to investors domiciled or having their registered office in the EEA: (i) such Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Fund incurring additional costs and expenses; (ii) such Fund and/or its general partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) its general partner may be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of such Fund in relation to EEA Issuers including, in some circumstances, the Fund’s ability to recapitalize, refinance or potentially restructure an EEA Issuer within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

U.S. Taxation of Carried Interest. United States federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership’s income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its general partner, or Adviser who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Adviser to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Side Letters. Adviser and/or its affiliates reserve the right to enter into side letters with certain investors in a 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, modified waterfall mechanics, and/or receipt of a portion of Adviser’s compensation or equity in the applicable general partner or carried interest recipient), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund’s advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms, many of which will not be subject to the “most-favored nation” provisions of a Fund’s Client Documentation. Adviser 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 Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Adviser, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Adviser, its affiliates and personnel, or the Funds). Further, side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds or other clients. Except if required by the Client Documentation of the Fund or applicable law, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, 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. Side letters subject Adviser to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Subject to applicable law, other side letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including, in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a consequence of one or more Fund investors being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or the ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating Fund investors could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Adviser believes it to be unlikely, excuse or other rights requested or received by one or more Fund investors (or such regulatory, tax or other factors applicable to such Fund investors) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Client Documentation; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Item 9. Disciplinary Information

Adviser has not been involved in legal or disciplinary events that are material to a client's evaluation of Adviser's advisory business or the integrity of its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Material Relationships with Industry Participants

Adviser is affiliated with other entities engaged in the financial services business and, in some cases, has business arrangements with such entities that are material to its advisory business or to its clients. These are described in more detail below and, in some cases, cause Adviser's or an Adviser Related Party's (as defined below) interests to conflict with the interests of a client. The following discussion briefly summarizes some of these conflicts but is not intended to include an exhaustive list of all such conflicts.

As noted in Item 4 – “*Advisory Business*”, Adviser is jointly owned by Eldridge and Holne. A list of certain Adviser affiliated entities is provided on Schedule D of Form ADV, Part 1 at Item 7.A. (Part 1 of Form ADV can be accessed by following the directions provided on the cover page of this Brochure.)

As noted in Item 4 – “*Advisory Business*”, Adviser manages Cain International's real estate investment portfolio under investment advisory agreements between Adviser and Cain International. Cain International or its affiliate may also be an investor in, or co-investor alongside, Funds.

As described above, Adviser is affiliated with Jersey Manager, which may serve as manager to the Funds that Adviser expects to establish in the future.

Eldridge is a private investment firm that owns directly or indirectly businesses that operate within a number of industries, including the financial services industry. Currently, one of these businesses, Security Benefit Life Insurance Company (“SBL”) has material business relationships with Adviser. SBL is a Kansas insurance company that specializes in fixed, fixed indexed, and variable annuities. SBL and certain of its affiliates may from time to time be clients of Adviser and/or investors in or co-investors with Funds. Also, SBL provides financing to (i) holding companies in which the Funds have invested; (ii) real estate development projects in which Cain International or an affiliate has invested; and (iii) Cain International and its subsidiaries.

The Eldridge owned businesses listed below (i) are affiliated through common ownership with Adviser; and (ii) do not have material business relationships with Adviser.

- Maranon Capital, L.P.; (“Maranon Capital”), a registered investment adviser. Maranon Capital offers investment advisory services primarily focused on senior credit, mezzanine investments and equity co-investments to a variety of institutional clients through separately managed accounts and private funds.
- Panagram Structured Asset Management, LLC (“PSAM”) and Panagram Capital Corporation Adviser, LLC (“PCCA”). PSAM is a registered investment adviser that offers investment advisory services to institutional clients, primarily focusing on structured credit, including the debt and equity tranches of collateralized loan obligations (“CLOs”), as well as asset-backed securities. PCCA is a registered investment adviser that serves as the investment adviser to an externally managed, non-diversified, closed-end management investment company that has registered as investment company under the Investment Company Act of 1940. PCCA primarily invests in equity tranches of CLOs and may also invest in other securities on behalf of its client.

- First Security Benefit Life Insurance and Annuity Company of New York, a New York insurance company and an affiliate of SBL;
- Everly Life Insurance Company, a Kansas insurance company and an affiliate of SBL;
- Security Distributors LLC, a registered broker-dealer and affiliate of SBL;
- Johnstone Brokerage Services, LLC, a registered broker-dealer;
- Sixth Avenue Reinsurance Corporation, an insurance company;
- Clearcover Inc., an automobile insurance company; and
- Clearcover Insurance Company; an automobile insurance company.

Conflicts of Interest Relating to Affiliated Industry Participants

Eldridge, Cain International and each of their network of direct and indirect subsidiaries and their respective employees, officers and directors including those described above but excluding Adviser (collectively, the "Adviser Related Parties"), engage in a number of businesses with a broad array of products and services and the resulting transactions create a variety of actual or potential conflicts of interest with clients and Adviser's activities on behalf of clients. The following discussion briefly summarizes some of these conflicts and should be read together with Item 11's discussion of conflicts associated with an economic interest in client transactions. These items are not intended to include an exhaustive list of all such conflicts. Clients should carefully review the Client Documentation, which may contain further information on conflicts of interest.

- Adviser and its personnel have received loans from, or from time to time in the future may receive loans from, Adviser Related Parties which could create an incentive to favor such Adviser Related Parties over other clients.
- Adviser Related Parties, including Eldridge, engage in investment operations that may be substantially similar to and/or competitive with opportunities in which Adviser's clients have invested or which are appropriate for Adviser's clients. Eldridge and its management personnel and other Adviser Related Parties may, but are under no obligation to, share any such research or opportunities with Adviser. Moreover, Eldridge, SBL, their respective management personnel and other Adviser Related Parties may invest on behalf of themselves in such opportunities. This may result in financial benefits to Eldridge, its management personnel and other Adviser Related Parties that are not experienced by Adviser or its clients.
- To the extent Adviser and other Adviser Related Parties have overlapping investments or similar investment strategies, Adviser Related Parties may give advice or take action for their own accounts advised by Adviser that differ from, potentially conflict with or are adverse to advice given or action taken by Adviser for any other Adviser clients.

- Adviser, from time to time, may recommend transactions with or investments that Adviser Related Parties control, are affiliated with, or have significant economic, financial, or other interests or relationships with. Such an investment may provide a direct or indirect benefit to Adviser Related Parties, in which case the client investments can indirectly benefit the Adviser Related Parties. In addition, Adviser reserves the right to choose to offer more favorable terms to or refrain from taking actions that potentially would be adverse to companies in which Adviser Related Parties have an interest, subject to Adviser's obligations to its clients under applicable law and applicable Client Documentation. Interests of non-affiliated clients therefore have the potential to conflict with the interests of Adviser Related Parties.
- Adviser expects from time to time, to enter into shared services arrangements whereby certain Adviser Related Parties provide certain administrative services to Adviser. For example, SBL provides certain treasury related services to Adviser and its affiliates. Although Adviser selects service providers that it believes are aligned with its operational strategies and will enhance client service and returns, Adviser has a potential incentive to select an Adviser Related Party because of its financial or other business interest. There is also a possibility that Adviser, for various reasons (including a belief that 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 client or to Adviser), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Although Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed, and other factors in retaining or recommending service providers.

In addition to the conflicts referenced above and elsewhere in this Brochure, various potential and actual conflicts of interest can arise from the overall advisory, investment, capital markets and other activities of Adviser, its clients, Adviser Related Parties, and other affiliated parties. Adviser has policies and procedures reasonably designed to monitor for, mitigate and resolve conflicts that may arise in a manner it deems reasonable and equitable under the prevailing facts and circumstances. Adviser's determination as to which factors are relevant and how reasonably to resolve such conflicts will be made in Adviser's sole discretion, unless otherwise required by the terms of the Client Documentation or applicable law. There is no assurance that any specific conflict can or will be identified and resolved in favor of any particular client's interest or clients generally.

The potential material conflicts referred to herein that arise from the activities of Adviser, its clients, Adviser Related Parties and other affiliated entities include, but may not be limited to, those discussed above and elsewhere in this Brochure.

Item 11. Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading

Code of Ethics

Adviser has adopted a code of ethics that sets forth the standards of conduct expected of all personnel providing services to clients ("Advisory Persons") and requires compliance with applicable securities laws ("Code of Ethics").

The Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Adviser or any of its Advisory Persons. Prospective clients and clients may contact Adviser at the telephone number or email listed on the cover of this Brochure to request a copy of its Code of Ethics. Adviser appointed an individual to serve as Chief Compliance Officer who, together with Adviser's senior management, will be responsible for monitoring and enforcing the Code of Ethics.

The Code of Ethics may be described briefly as follows: The Code of Ethics states that Advisory Persons should strive to be judicious, accurate, objective, and reasonable in dealing with both clients and other parties, and that the personal integrity of Advisory Persons is paramount. Further, the policies provide that all Advisory Persons must act within the spirit and the letter of all federal, state, and local laws and regulations pertaining to the securities business, and at all times, the interest of each Adviser client has precedence over any personal interest.

The Code of Ethics requires Advisory Persons to report their personal securities transactions and prohibits Advisory Persons from directly or indirectly engaging in certain securities transactions without first obtaining approval.

In addition, the Code of Ethics requires Advisory Persons to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information.

Allocation of Investment Opportunities

Adviser advises multiple clients with similar investment strategies. If an investment opportunity is appropriate for more than one client, Adviser determines which clients participate in the investment opportunity and to what extent. This could result in a client receiving no allocation of a particular investment or receiving an allocation of an investment which is less than it would otherwise have received if Adviser did not have multiple clients. Adviser has policies and procedures designed to allocate investment opportunities to clients in a manner it deems to be fair and equitable taken as a whole over time, consistent with the client's investment strategy, guidelines and objectives. To the greatest extent possible, Adviser makes investment decisions for each client independently from those of other clients and with specific reference to the individual needs, objectives, investment strategy, and risk profile of each client. Investment opportunities are allocated on a best-fit basis, taking into account various factors and considerations applicable to each client, including: investment policies and objectives; risk parameters or tolerance; investable and/or available capital commitments; time horizons; liquidity and diversification considerations or requirements; availability and suitability of any leverage arrangements; different tax, legal, and regulatory considerations; whether the investment relates to an existing investment by an existing client (e.g., a follow-on investment); hedging considerations; and other factors or reasons considered relevant by Adviser and any other factors disclosed in the relevant Client Documentation. As such, Adviser's policy affords it substantial discretion in allocating investment opportunities and such discretion will affect client performance.

Where the best-fit analysis does not produce a single client to which the opportunity should be allocated, such investment opportunities will be allocated on a pro rata basis amongst all clients for which the relevant opportunity is considered to be best fit by Adviser. Where a client holds an interest directly linked to the investment offered, Adviser will first consider whether the opportunity is most appropriate for that client. However, a different allocation may be applied as considered appropriate by Adviser acting in good faith taking into account the interests of each relevant client and considerations such as those described above.

Adviser may not make all co-investment opportunities available to all clients. Unless provided to the contrary in Client Documentation, Adviser will select co-investors in its sole discretion such that some, but not all clients may be granted the right to participate in a co-investment. Whether or not Adviser may offer a co-investment opportunity to a client or Fund investor will be based on the particular nature of each co-investment opportunity, and factors may include an investor's experience underwriting a particular type of asset and ability to provide funding on an accelerated basis.

It is likely that certain clients will not participate in the gains or losses realized by other clients with similar investment objectives and it is unlikely that all client portfolios will hold the same positions or will perform similarly, even when clients share the same investment strategy and/or investment objective.

Investment opportunities that are presented to Adviser Related Parties or their officers, directors, employees or agents by third parties do not fall within Adviser's allocation policies and procedures to the extent they are not presented directly to Adviser.

Adviser Interest in Client Transactions

Affiliate Transactions and Cross Trades

Unless prohibited by Client Documentation, Adviser can make investments that result in the payment of fees or remuneration to affiliates of Adviser providing services ancillary to Adviser's advisory services. These are in addition to management, performance-based and other fees described in Item 5 – “Fees and Compensation” and Item 7 – “Types of Clients” which are paid for Adviser's advisory services. They include:

- *Arranger/Facility Agent/Security Agent.* One or more affiliates of Adviser may be engaged in the loan origination and/or loan servicing businesses. In connection with such activities, such affiliates may receive certain fees, including, arranger, syndication, agency and security agency, origination, sourcing, structuring and other fees received as part of such loan origination and/or loan servicing businesses. The client may acquire loans originated, structured, arranged and/or placed by such affiliates that receive such fees. Unless the Client Documentation specifically provides for an offset against management fees or other fees payable by the client, the client will bear such fees directly or indirectly (e.g., by the issuers of financial instruments held by the client).
- *Development Manager/Property Asset Manager.* One or more affiliates of Adviser may be engaged in the development management business with respect to holding

companies in which Adviser's clients are invested. In connection with such activities, such affiliates may receive certain fees, including development manager and/or property asset management fees.

- *Non-Investment Advisory Administrative Support.* One or more affiliates of Adviser may be engaged in the business of providing non-investment advisory services to Adviser Related Parties, clients or other parties. In connection with such activities, such affiliates may receive certain services fees.

All of the foregoing fees are expected to be retained by such affiliates of Adviser. Except as required by Client Documentation, such fees or remuneration generally are in addition to and do not reduce or offset the fees paid in connection with Adviser's advisory services. The receipt of such fees by Adviser's affiliates potentially creates an incentive to make investments that give rise to additional compensation. To mitigate this conflict, Adviser generally seeks to: (a) evaluate the transaction to determine if it appears to be a favorable investment for the participating clients, (b) review the fairness of the fees, including considering whether fees are consistent with an arms' length transaction, (c) allocate opportunities in accordance with Adviser's allocation policy, and/or (d) provide appropriate disclosure to impacted clients.

- *Cross Trades.* Pursuant to Client Documentation and disclosures to clients, Adviser, from time to time, effects certain cross trades between and among client accounts, i.e., transactions directly between two different clients. For example, Adviser might arrange for one client which is liquidating its portfolio or a particular investment, to sell all or part of that investment or that portfolio to another client, which client might be ramping up its investment portfolio. In such cases, Adviser's interest can conflict with those of the relevant clients or the interests of one client participating in the cross-trade conflict with the interests of the other client participating in that trade. Transactions between the same clients or clients owned directly or indirectly by the same investors are not considered to be "cross trades", as there is no change in actual or beneficial ownership.
- *Principal Transactions.* An affiliate of Adviser, or a Fund in which Adviser or its affiliates own more than 25%, may sell to or purchase from a client of Adviser part or all of an existing asset. Such a transaction generally would be deemed a "principal transaction" and, where not prohibited by Client Documentation may be pursued in accordance with applicable law and in the best interest of the client.
- *Co-Investments.* In addition to the potential conflicts with respect to co-investments discussed above, Adviser may recommend or cause clients to participate in investments or transactions in which Adviser Related Parties have controlling interests or other financial relationships or interests (including but not limited to directorships or equivalent roles). Unless otherwise required by the terms of the Client Documentation or applicable law, Adviser Related Parties (other than Advisory Persons) are generally entitled to, and expected to, pursue their own interests where diverging from client interests.
- *Carried Interest.* With respect to Funds, an affiliate of Adviser will be entitled to carried interest above a hurdle. Please see our discussion of potential conflicts with

respect to carried interest/performance fees in Item 6 – “*Performance Based Fees and Side by Side Management*”.

In all of these cases, Adviser may have an incentive to act, or refrain from acting, on behalf of its clients in order to advance the pecuniary or other interests of Adviser Related Parties. Adviser has policies and procedures designed to address these conflicts. Adviser seeks to act consistent with its fiduciary duties to clients, including affiliated clients, and to treat all such clients equitably and consistent with applicable law. When Adviser engages in principal transactions, it will seek to comply with the requirements of the Advisers Act, including disclosure to and consent of the client or a client's independent review party or board of directors. When Adviser recommends or effects a cross trade or principal transaction, it will endeavor to ensure that the transaction occurs at a price that is fair to all applicable parties, as discussed below.

Side Letter Conflicts

Adviser may grant certain investors in a Fund certain rights that may give them influence over investment criteria or portfolio guidelines of each Fund. This may result in certain investors having preferential rights over others. An investor in a Fund should expect some other investors to have more favorable rights and terms with respect to that Fund. An investor with such preferential rights will act in its own interests and these interests may not align with the interests of other investors.

Capital Structure Conflicts

There will be situations in which Adviser invests client assets in certain parts or particular issuances or financing of an entity's capital structure at the same time that other clients or Adviser Related Parties are investing in or holding positions in different parts of that same entity's (or a related entity's) capital structure. These situations include, for example, investments in instruments that have differing priorities (senior or subordinated loans), have differing levels of risk and yield or return, and/or have differing levels or types of rights and benefits. In such situations certain conflicts may arise among the interests of third-party clients, affiliated clients and Adviser Related Parties, including conflicts involving: (i) Adviser's determination to enforce or not enforce certain rights on behalf of its clients which may have an adverse effect on the interests of Adviser Related Parties or affiliated clients and vice versa, (ii) Adviser's incentive to make investment decisions which may either facilitate or result in more favorable terms for a proposed investment by Adviser Related Parties in a particular entity, or (iii) Adviser's incentive to preserve or protect the value or rights associated with an investment of an Adviser Related Party in a particular entity, which may have an adverse effect on the interests of clients.

In such situations, the interests of one group of clients conflicts with those of other clients and/or Adviser Related Parties investing in the same entity. In managing such investments, Adviser considers the interests of affected clients but also at times could pursue or enforce rights on behalf of some clients in a manner that results in an adverse effect on other clients with a different type of investment in the same entity. These potential conflicts of interests between clients, including affiliated clients, may become more pronounced in situations in which the entity experiences financial or operational challenges. For example, Adviser Related Parties, on behalf of themselves, or Adviser on behalf of clients, may have tax, economic or business interests or goals that are inconsistent and determine to foreclose on loans, take steps to put an issuer or borrower into

default, or seek a liquidation of the collateral that adversely affects other clients of Adviser. Adviser may also sponsor or support restructuring, recapitalization or similar workout arrangements for an obligation upon default by an entity in which different clients hold different investments. In such circumstances, accounts holding different types of investments will be affected according to the right associated with the type of investment in their account. Any of the foregoing could also adversely affect the prices and availability of other securities or instruments issued by that particular entity that may be held or considered for investment for other clients. Although certain of these conflicts cannot be mitigated, Adviser's policies and procedures could result in the use of separate legal counsel (e.g., where the conflict involves an Adviser Related Party) or other discretionary techniques to seek to separately attend to the differing interests or rights of different sets of clients and/or investors. These policies and procedures are intended to supplement any other requirements relating to such investments as may be disclosed in the offering materials, disclosure documents and/or other Client Documentation.

Other Ancillary Benefits and Conflicts

Adviser or Adviser Related Parties may have an existing relationship with, or financial interest in, industry participants (including service providers) that benefit from investments or investment decisions recommended by Adviser to clients. Further, where consistent with its fiduciary duties, Adviser can invest on behalf of clients in loans or interests of companies which are or their senior executives are also clients of Adviser or other persons who have personal and/or business relationships with Adviser Related Parties. While Adviser makes investments which it determines in its reasonable discretion to be for the benefit of participating clients, in this case, such investments will not be for the exclusive benefit of participating clients but will also benefit other clients, Adviser Related Parties or Adviser.

Valuation

As set forth in Client Documentation, Adviser makes value determinations with respect to certain investments in clients' portfolios. Adviser's role in determining the fair value to be assigned to any investment may pose a conflict because Adviser has an incentive to value investment either higher or lower, as the case may be, in order to affect client performance or to generate increased management or performance fees. Adviser's valuation policies are designated to monitor, mitigate and resolve such conflicts.

Overall, Adviser seeks to record the value of debt instruments at amortized cost less impairment in line with current Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS") as specified in the relevant client documentation. Adviser reviews each debt instrument for impairment triggers on at least a quarterly basis and applies any impairment to the carrying value of the debt instrument if and when determined appropriate in Adviser's discretion. The difference between the carrying value recorded for a debt instrument at any particular time and the ultimate amount which may be repaid or recovered could be material.

For equity, equity-like investments and derivatives, Adviser fair values such investments in line with current GAAP or IFRS. Where possible, Adviser will seek to base these valuations on market prices or third-party data. When third-party data or market prices are not readily available or if any third-party valuations are deemed by Adviser in good faith to be unavailable or unreliable,

Adviser's valuations may not be based on a third party, independent determination. The fair values assigned by Adviser to such investments may not correspond, at the time, to an amount at which an investment could be or is actually purchased or sold. The difference between the fair value assigned to an investment at any particular time and the ultimate price for which such investment could be sold, could be material.

The valuation of all liquid investments and hedging transactions will be performed at least quarterly and such assets will be valued at market value each quarter. This valuation will be obtained by reference to the counterparty value and independent pricing sources. Valuations shall be prepared in accordance with GAAP or IFRS on a fair market basis and, if required, adjusted in accordance with valuation standards determined applicable by Adviser.

Investments that are valued by Adviser may not have reliable market values. The carry value or fair value assigned to such investments, as determined in good faith by Adviser in accordance with its valuation policies, may not match the next available and reliable market price or empirical value and, in retrospect, may not have been the price at which the investment could have been purchased or sold.

In some cases, identical investments in clients' accounts could be valued differently for different clients. For example, this occurs when pursuant to the relevant client documentation, valuation guidelines or valuation agents differ from one client to another. In general, Adviser will value investments for purposes of calculating management and performance based fees using the same methodology for all clients.

Adviser Personnel Outside Activities

Advisory Persons have non-investment related outside business interests in which clients will have no interest. Such Advisory Persons have a conflict with respect to allocating time and services between clients and outside activities. Advisory Persons expect to devote as much time to the management of client portfolios as Adviser deems appropriate to perform its obligations in accordance with its duties and responsibilities under Client Documentation.

Item 12. Brokerage Practices

Adviser does not currently have a contractual relationship with or utilize the services of any securities broker-dealers in connection with the real estate transactions in which it engages on behalf of clients. The business of Adviser generally does not involve securities broker-dealers, or directing clients to execute transactions (through broker-dealers or otherwise), nor do clients direct Adviser to engage securities broker-dealers.

Aggregation

Adviser may aggregate a transaction for a client with that of other clients (including affiliates) from time to time for the efficient execution of transactions for the benefit of all clients. Adviser may not carry out a client transaction in aggregation with another client transaction unless it is unlikely that the aggregation of transactions will work overall to the disadvantage of any client whose transaction is to be aggregated. Typically Adviser will aggregate transactions in line with

its execution policy to achieve the best possible result for the client. However, Adviser may face a conflict of interest when negotiating transactions in the aggregate on behalf of multiple clients because negotiation of terms (other than price) will not necessarily benefit all clients equally, for example, given differences in risk, liquidity, and other preferences and rights.

Adviser will not receive any additional compensation of any kind as a result of an aggregated order.

Best Execution

When executing transactions or placing orders with other persons for execution on behalf of clients, Adviser will take all reasonable steps to obtain Best Execution in respect of relevant Investments.

"Best Execution" means, in relation to Adviser's execution of a transaction or the placing of an order with other persons for execution on behalf of clients, the best possible result for the client in accordance with its execution policy.

In securing such Best Execution, it is Adviser's policy to consider various factors including the size and type of the transaction, price, costs, likelihood of execution and settlement, the nature and character of the markets involved, commission rates offered by available brokers and brokers' execution experience, integrity and financial responsibility.

All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and that Adviser may take all such steps as may be required or permitted by such rules and regulations and/or by good market practice.

Subject to specific client instructions, in effecting transactions Adviser will at all times comply with its execution policy.

Adviser will act in good faith and with reasonable skill and care in its choice and use of counterparties. If any counterparty fails to deliver any necessary documents or to complete any transaction, Adviser will take all reasonable steps on behalf of the client to rectify such failure or obtain compensation in lieu thereof, but not including undertaking litigation or enforcement action on behalf of the client against a defaulting counterparty unless agreed between Adviser and client otherwise.

Investment Errors

Due to the nature of transactions by Adviser, trade errors are generally not applicable. On occasion, errors can be expected to occur in connection with Adviser's investment operations, in which case Adviser determines whether such error resulted from its gross negligence, bad faith or willful misconduct and, unless it finds this to be the case, any losses from an investment error will be borne by clients (or as otherwise provided in applicable client documentation). Adviser may offset gains resulting from investment errors by losses resulting from the same or related errors.

Item 13. Review of Accounts

Adviser's investment personnel monitor client investments and regularly review client portfolios to monitor performance and compliance with investment guidelines.

Adviser's investment committee (the "Investment Committee") has the function of overseeing such investment personnel, including considering, analyzing, and approving client investment opportunities and recommendations, including the initial making of any investment and the monitoring and taking of actions with respect to an investment which the Investment Committee deems material.

The Funds are subject to an annual independent audit performed by an independent public accountant, which is registered with and subject to inspection by the Public Company Accounting Oversight Board.

Adviser delivers periodic reports and other information to clients as negotiated and set forth in Client Documentation.

Item 14. Client Referrals and Other Compensation

Neither Adviser nor its personnel will be directly or indirectly compensated for client referrals.

However, Adviser enters into, from time to time, cash compensation arrangements with placement agents, solicitors or third parties for introducing clients to Adviser or investors to Funds. To the extent applicable, all such arrangements are, or with respect to future arrangements will be, made in accordance with the Advisers Act. Any fees associated therewith will ultimately be borne by Adviser.

Item 15. Custody

Adviser has, may in the future have, and may be deemed to have, custody of certain client assets for purposes of the Advisers Act as a result of Adviser having broad authority to instruct custodians of client accounts under a power of attorney (including to deduct management or other fees or expenses), as a result of one or more of Adviser's affiliates serving as arranger, facility agent, security agent or in a similar capacity with respect to an investment in client's portfolio, and /or as a result of an affiliate of Adviser being the general partner of a Fund. In such cases, Adviser will comply with the applicable requirements of the Advisers Act.

With respect to SMA clients to whom the custody rule applies, the client's qualified custodian will provide quarterly (or more frequent) account statements. Clients should carefully review the custodian statements and, to the extent such clients also receive account statements from Adviser, should compare Adviser's statements with those received from the qualified custodian. Clients who fail to receive statements from the qualified custodian or who have any questions about the statements they receive should promptly contact Adviser using the contact information provided on the cover of this Brochure.

Item 16. Investment Discretion

As of the date of this Brochure, Adviser's services to the SMAs, Funds, and the Jersey Manager are limited to non-discretionary investment management services and such discretionary investment management services that are limited to instruments that would not require Adviser to be authorized by the FCA in the UK to discretionarily manage such instruments, as Adviser is not currently authorized by the FCA to discretionarily manage such investments in the UK.

As described in Item 4 - "*Regulatory Limitations and Strategy*", Adviser may seek authorization from the FCA to discretionarily manage additional instruments under SMAs and for the Jersey Manager and Funds in due course.

Adviser undertakes this non-discretionary (and, where applicable, discretionary) investment management authority under the terms of the relevant Client Documentation.

Item 17. Voting Client Securities

Due to the nature of Adviser's business, it will be rare that Adviser will be asked to vote a proxy for a publicly traded equity security held on behalf of a client. Nevertheless, Adviser has written proxy voting policies and procedures consistent with Rule 206(4)-6 under the Advisers Act. Pursuant to these policies, Adviser votes proxies in the best economic interest of its clients over the long term as determined by Adviser in its reasonable discretion.

It is more likely that Adviser is asked to consent to waivers or amendments to credit agreements or make elections with respect to corporate reorganizations. When evaluating such requests, Adviser generally acts in a manner designed to serve the best economic interests of its clients or avoid a negative impact on such clients, as determined by Adviser in its reasonable discretion, taking into account, as relevant, the impact on the value of the client's investments, anticipated costs and benefits, amendment fees, standard industry and business practices, and potential conflicts of interest. Adviser does not consider the clients' receipt of amendment fees from holding companies as a material conflict of interest when making decisions to consent or agree to amendments with respect to such investments.

A copy of Adviser's proxy voting policy and procedures and/or information regarding proxy votes is available to clients, at no cost upon request made to Adviser at the contact details listed on the first page of this Brochure.

Due to the nature of Adviser's business, it is rare that Adviser will be eligible to participate in class action litigation. Only where expressly directed by Client Documentation, Adviser will determine whether a client will participate in a recovery achieved through a class action or opt out of the class action and separately pursue another remedy. In the absence of such express direction, Adviser does not expect to participate in class actions or other litigation on behalf of clients.

Item 18. Financial Condition

Adviser does not have any financial impairments that will preclude the firm from meeting contractual commitments to clients. It has never been the subject of a bankruptcy proceeding.