

Architect Capital Corp.

Form ADV Part 2A The Brochure

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This brochure provides information about the qualifications and business practices of Architect Capital Corp. (“Architect” or “the Company”). If you have any questions about the contents of this brochure, please contact us at (650) 769-7630.

Additional information about Architect is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Architect is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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Item 3. Material Changes

This is Architect’s Form ADV Part 2A filing.

Item 4. Advisory Business

Architect was formed in September 2020 and is primarily owned by James Sagan. James Sagan serves as the Company’s President (“Principal”). The Company is located in San Francisco, CA.

Architect provides discretionary investment management services to pooled investment vehicles investing in credit strategies.

As of December 31, 2023, the Company managed \$350,075,000 on a discretionary basis.

Item 5. Fees and Compensation

Management fees charged to the Clients are based on a percentage of assets under management and performance-based amounts. Detailed information regarding the fees charged to the Clients is provided in the relevant offering documents and other governing documents. Fees are deducted from an investor’s capital account(s) in the applicable Client. Architect or the general partner of the relevant Client may, in its sole discretion, waive or reduce all or any portion of the above stated fees with respect to an investor.

In addition to the fees charged by Architect, investors will bear indirectly other fees and expenses incurred by the Clients including, but not limited to, the following: brokerage and other transaction costs, legal fees; accounting fees; audit fees; custodian fees; costs of insurance; organizational and registration expenses; fund administration fees; and certain offering costs. In addition, investors in the offshore funds will also pay directors' fees. For more information on brokerage transactions and costs, please see *Brokerage Practices*. Investors should review all fees charged by Architect and the expenses charged to the Funds to fully understand the total amount of fees to be paid by the Funds. The Funds' offering documents provide a summary of the expenses charged to the Funds, and the terms investors are subject to when redeeming all or a portion of their investment.

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

Performance based or incentive fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. An adviser charging performance fees to some accounts faces a variety of conflicts because the adviser can potentially receive greater fees from its accounts having a performance-based compensation structure versus those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the adviser may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee.

Architect charges performance-based fees to all Clients but may, in its sole discretion, waive or reduce all or any portion of the performance fees with respect to an investor. The presence of a performance fee may create an incentive to favor the Funds and accounts paying performance-based fees over accounts that do not. In addition, the fact that Architect is compensated based on the trading profits may create an incentive for Architect to make investments on behalf of its Clients that are riskier or more speculative than would be the case in the absence of such compensation.

Item 7. Types of Clients

The Company provides investment advice on a discretionary basis to privately offered, pooled investment vehicles ("Clients").

Each Client operates separately and is anticipated to make investments in other private funds as well as individual debt and equity investments in the private markets. As the investment manager of the Clients, Architect has overall responsibility to manage and control the business affairs of the Clients, including the exclusive authority to oversee and to establish policies regarding the management, conduct and operation of the business. Architect manages the Clients in accordance with the terms of the offering documents and other governing documents applicable to the Clients.

At present, Architect provides services to the following private funds:

- Architect Capital Asset SPV, LLC
- Architect Capital Borrower SPV I, LLC

- Architect Capital Cayman Fund I, LP
- Architect Capital PayJoy SPV LLC
- Architect Capital Payjoy SPV II, LLC
- G.P. Investors L.L.C.
- Architect Capital Opportunities Fund, L.P.
- Architect Capital Opportunities Master Fund, L.P.
- Architect Capital Opportunities Offshore Fund, L.P.
- Arc Fund Investors, LLC
- Arc Credit Investors, LLC
- Architect Capital Opportunities Fund II, L.P.
- Architect Capital Opportunities Master Fund II, L.P.
- Architect Capital Opportunities Offshore Fund II, L.P.
- Architect Seller SPV, LLC

The Funds managed by Architect are excepted from the definition of an investment company under the Investment Company Act of 1940 (“Company Act”). All investors in Architect’s Clients must be Accredited Investors and Qualified Purchasers as those terms are defined under Regulation D and the federal securities laws.

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

Investment Strategies

Architect seeks to achieve its investment objectives by pursuing opportunities to extend credit to early-stage companies within the venture ecosystem of emerging markets. To achieve its investment objectives, the Company will aim to identify novel assets that meet internal characteristics of an attractive credit investment, perform rigorous and credit-oriented operational, business, and commercial due diligence, structure disciplined and creative facilities with robust legal, tax, and currency protections, and mandate warrants be issued aimed at further securing the loans and mitigating risks of fraud, bankruptcy, while improving pricing accuracy.

Methods of Analysis

Architect conducts deep due diligence on investment opportunities, including the engagement of

third-party experts and service providers, to ensure the credit worthiness of a company. The Company then implements a disciplined structuring and pricing process surrounding the credit facility which aims to ensure full return and principal protection in severe downside scenarios. The Company also applies a rigorous and credit-oriented approach with an aim to identify and underwrite assets that generate consistent cash-flows and can be serviced in the event that the servicer ceases operations.

Risk of Loss

An Investor Should Be Aware that It May Lose All or Part of its Investment in the Funds. An investment in the Funds requires a long-term commitment, with no certainty of return. Prospective investors will not have an opportunity to evaluate specific assets prior to investing. The possibility of partial or total loss of capital exists and the investor should not subscribe unless it can readily bear the consequences of such loss. No guarantee or representation is made that the Funds' investment program will be successful. The Fund's investment program may utilize such investment techniques as option transactions, margin transactions, short sales, leverage and forward contracts, which can, in certain circumstances, increase the adverse impact to which the Funds' portfolio may be subject.

Limited or No Operating History. Each of the Funds, the general partner and Architect is a newly formed entity and has limited operating history upon which prospective investors can evaluate their anticipated performance. The investment professionals of Architect have been using investment strategies similar to some of the investment strategies described herein in connection with proprietary trading on behalf of a predecessor fund for several years. However, past performance is not indicative of future results and there can be no assurance that the Funds will achieve results comparable to those achieved by Architect and its affiliates in their prior investment activities. Accordingly, prospective investors should draw no conclusions from the prior performance of Architect and should not expect the Funds to achieve similar results.

Dependence on Key Individuals. Investors have no authority to make decisions on behalf of the Funds. The success of the Funds depends upon the ability of Architect to develop and implement investment strategies that achieve the Funds' investment objective. The Funds' performance is largely dependent on the talents and efforts of highly skilled individuals. Competition in the financial services, private equity and alternative asset management industries for qualified investment professionals is intense. Architect's ability to effectively manage the Funds' portfolio depends on the ability of Architect and its affiliates to attract new employees and to retain and motivate existing employees. Moreover, if the Funds were to lose the services of the Principal, the consequence to the Funds could be material and adverse and could lead to the premature termination of the Funds.

Absence of Regulatory Oversight. While the Funds may be considered similar to a registered investment company, it is not required and does not intend to register as such under the Company Act or the laws of any other jurisdiction. Accordingly, the provisions of the Company Act (which require, among other things, investment companies to have a majority of disinterested directors, that securities be held in custody and individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company) are not applicable to investors in the Funds. While the Funds may trade commodity interests, the general partner, with respect to the Funds, is exempt from registration with the CFTC as a CPO pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the general partner is not required to deliver a CFTC disclosure document to prospective investors, nor is it required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs. Architect

and the general partner are each exempt registration with the CFTC as a commodity trading advisor.

Banking Relationships. The Funds will hold cash and other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, “Banking Institutions”), which may include both U.S. and non-U.S. Banking Institutions from time to time. The Funds may also enter into credit facilities and have other relationships with Banking Institutions. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of each of the Funds to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on the Funds. For example, in such a scenario, the Funds could be forced to delay or forgo an investment or a distribution, including in connection with a withdrawal, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, the Funds may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). The Funds do not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its banking relationships, and there can be no assurance that the Funds will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

Business and Regulatory Risks of Investment the Funds. Legal, tax and regulatory changes within and/or outside the U.S. could occur during the term of the Funds that may adversely affect the Funds. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Funds and the ability of the Funds to obtain the leverage it might otherwise obtain or to pursue its investment program. In addition, many markets in which the Funds is expected to conduct business are subject to comprehensive statutes, regulations and, in some cases, margin requirements. The Securities and Exchange Commission (the “SEC”), other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, in addition to their authority to make rules and regulations governing the markets and their participants generally. The effect of any future regulatory change on the Funds could be substantial and adverse.

There have been extensive rulemaking and regulatory changes over the past decade that have affected private funds, private fund managers and the financial industry as a whole, including the Dodd-Frank Wall Street Reform and Consumer Protection Act in the U.S. (the “Dodd-Frank Act”). The Dodd-Frank Act introduced, among other things, new recordkeeping, reporting, registration, central clearing and mandatory trading on electronic facilities requirements for investment advisers, adding costs to the legal, operations and compliance obligations of the general partner, Architect, their respective affiliates and the Funds and increasing the amount of time that the general partner and Architect spend on non-investment related activities. These regulations also affect a broad range of market participants with whom the Funds interacts or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker-dealers,

impacting the Funds' business with its counterparties. The manner in which these and other regulations may ultimately change the landscape of the financial industry is unknown and it is difficult to anticipate the impact that such changes will have on the general partner, Architect and the Funds. The continued implementation of these regulations and the manner in which they will be enforced in the future is unclear.

Regulations may have a significant impact on the investors or the operations of the Funds, including, without limitation, restricting the types of investments that the Funds may make, preventing the Funds from exercising its voting rights with regard to certain financial instruments, requiring the Funds to disclose the identity of its investors or otherwise. The general partner may cause the Funds to be subject to such regulations if it believes that an investment or business activity is in the Funds' interest, even if such regulations may have a detrimental effect on one or more investors. Prospective investors are encouraged to consult their own advisors regarding an investment in the Funds. The effect of any future regulatory change on the Funds could be substantial and adverse.

General Economic Conditions and Government Policies. The success of any investment is necessarily affected to some extent by market and economic conditions at the time; such conditions within and/or outside the U.S. may prevent the Funds from executing its investment strategy with respect to such investment in the manner originally contemplated and/or could cause the Funds to incur substantial losses. Interest rates, the price of investments and participation by other investors in the financial markets may also affect the value of investments purchased by the Funds. Investors should realize that the liquidity and value of Funds' investments will be affected by general economic conditions, conditions in the credit markets, constraints imposed by financing arrangements, contractual prohibitions, inability to dispose of investments at attractive prices due to buyers' inability to secure financing or other reasons mentioned below. Issuers in which the Funds may invest, or become a creditor to, may face intense competition, changing business and economic conditions and other developments that may adversely affect their performance. Business risks may be more significant in issuers that are embarking on a build-up or operating a turnaround strategy. General fluctuations in the market prices of securities, including public securities market prices, may adversely affect the value of investments held by the Funds and/or the ability of the Funds to dispose of investments at attractive valuations. In addition, governmental regulatory activity, for example that of the U.S. Federal Reserve Board or the European Parliament, may also have a significant effect on interest rates, liquidity and on the economy generally, which in turn may affect the price or spread of the investments in which the Funds plans to transact or the cost of such transactions. Other governmental actions, such as the U.K.'s decision to leave the E.U., may cause an extended period of uncertainty and market volatility globally and may directly impact particular investments of the Funds as well as the Funds' and Architect's business operations. The Fund may be unsuccessful in structuring its investments to minimize any detrimental impact that economic or market conditions may have on its investments and as a result the Funds may suffer significant losses.

Market uncertainty may have a significant impact on the business of the Funds. Among other things, the overall availability of investment opportunities may decline from the general partner's current expectations. As a result, fewer investment opportunities may be available to the Funds. One possible consequence is that the Funds may take a longer than anticipated period to invest capital, as a result of which, at least for some period of time, the Funds may be relatively concentrated in a limited number of investments. Consequently, during this period, the returns realized by the investors may be substantially adversely affected by the unfavorable performance of a small number of these investments. In addition, any slowdown in the global economy and changes in the prices of oil and

gas, raw materials, and agricultural commodities may affect inflation rates and currency exchange rates, which may in turn have a negative impact on the Funds' investments.

Assumption of Catastrophe Risks. The Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Funds invests (or has a material negative impact on the operations of Architect or the service providers), the risks of loss can be substantial and could have a material adverse effect on the Funds and the investors' investments therein.

Availability of Investments. There are risks and uncertainties with respect to the availability and selection of investments. Investors will be relying on the ability of Architect to find and close suitable future investments. The business of identifying and structuring investments is highly competitive and involves a high degree of uncertainty. No assurance can be given that the Funds will be successful in obtaining suitable investments.

Nature of Investment. An investment in the Funds requires a long-term commitment, with no certainty of return. Prospective investors will not have an opportunity to evaluate specific assets prior to investing. The possibility of partial or total loss of capital exists and investors should not subscribe unless it can readily bear the consequences of such loss.

Inability to Deploy Committed Capital. Architect may not be able to identify a sufficient number of investments that meet the Funds' investment objectives in the time period anticipated. Consequently, there is no guarantee that Architect will be able to invest all of the capital raised in this offering, which may affect the performance of the Funds.

Concentration of Holdings. Subject to the investment limitations set forth in the relevant Fund's offering documents, Architect may invest a substantial portion of the Funds' capital in a single investment. There is no assurance as to the degree of diversification that will actually be achieved in the Funds' investments either by geographic region or asset type. The Fund may make investments that it does not, or is unable to, sell as contemplated, which could lead to a longer than intended holding period and reduced diversification. The Fund will be susceptible to significant fluctuations in value resulting from adverse economic conditions affecting the Funds' investments. An investment in the Funds is not a diverse investment program.

Illiquidity of Interests. The interests in the Funds represent highly illiquid investments and should be acquired only by investors able to commit their funds for an indefinite period of time. There is no public market for these interests and it is highly unlikely that one will develop. The interests are not registered under U.S. federal or state securities laws or the securities laws of any other jurisdiction and may not be resold unless they are subsequently registered or an exemption from such registration is available. Transfers of interests are also subject to the approval of the general partner (which may be given or denied in the sole discretion of the general partner) and satisfaction of certain other conditions set forth in the relevant Fund's offering documents.

Dilution from Subsequent Closings. Despite the payment of associated capital charges, new Limited

Partners subscribing for Interests in the Funds will participate in the existing investments, thereby diluting the interest of existing Limited Partners in the Funds.

In-Kind Distributions. There can be no assurance that the Funds will be able to liquidate all of its investments by the time of the Funds' dissolution at favorable prices. Accordingly, illiquid securities may be distributed in kind upon dissolution. In addition, there may be times where the general partner believes it is advantageous to distribute to investors marketable securities. Until sold, marketable securities and illiquid securities will be subject to the risk of depreciation in value.

Uncertain Exit Strategies. Due to the illiquid nature of many of the positions which the Funds is expected to acquire, as well as the uncertainties of the reorganization and active management process, Architect is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time that the investment is ready to be realized due to economic, legal, political or other factors.

Investments Longer than Term. The Fund may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date on which the Funds is required to be dissolved, either by expiration of the Funds term or otherwise. The Fund may be required to sell, distribute in kind or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Early Termination. In the event of the early termination of the Funds, the Funds would have to distribute to the investors their pro rata interest in the assets of the Funds. Such an early termination would have the effect of accelerating the unamortized portion of any organizational expenses, thereby decreasing amounts otherwise available for distributions. It is possible that at the time of such sale or distribution, certain securities held by the Funds would be worth less than the initial cost of such securities, resulting in a loss to investors.

Board Participation. The Fund may be represented on the boards of directors of certain of its portfolio companies or may have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Funds' investment strategy and may enhance Architect's ability to manage the portfolio investments, they may also have the effect of impairing the general partner's ability to sell the related securities when, and upon the terms, it may otherwise desire. The designation of representatives, observers, directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders, creditors and regulators, including the claims that the Funds is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures could also result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims, including claims for indemnity, against the Funds if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal or regulatory principles or regimes; and could expose the Funds to claims that it has interfered in management to the detriment of a portfolio company. In general, the Funds will indemnify the general partner and Architect from such claims. While the general partner intends to manage the Funds in a way that will minimize its exposure to these risks, the possibility of successful claims cannot be precluded.

Litigation. Litigation can and does occur in the ordinary course of the management of an investment

portfolio of securities. Such litigation can arise as a result of issuer default, issuer bankruptcies and/or other reasons. In certain cases, such issuers may bring claims and/or counterclaims against the Funds, the general partner, Architect and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against the Funds by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Funds to the extent that (a) the Funds has not been able to protect itself through indemnification or other rights against the portfolio companies, (b) the Funds is not entitled to such protections or (c) the portfolio company is not solvent, the general partner, Architect, and others may be indemnified by the Funds, as noted above, in connection with such litigation, subject to certain conditions.

Side Letters. The general partner may enter into, deliver and perform Side Letters with investors that have the effect of establishing rights under, or supplementing or altering the terms of, their investment in the Funds without any act, consent or approval of any investor or investor committee.

Recontribution Obligations. The general partner may recall distributions made to any investor to the extent that distributions are recalled from the Funds by a Fund investment to which such distributions were attributable or to meet certain other obligations of the Funds.

Failure to Make Capital Contributions. If investors fail to fund their subscription obligations or make required capital contributions when due, the Funds' ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a substantial number of investors would limit opportunities for investment diversification and likely reduce returns to the Funds. Any investor who defaults in making a required capital contribution will be subject to certain adverse consequences pursuant to the provisions of the relevant offering documents for the Fund.

Leverage and Financing Risk. To the extent that the Funds can obtain credit, the Funds or one or more special purpose vehicles owned by the Funds (each, an "SPV") may use leverage to finance purchases of portfolio investments or leverage its investments with non-recourse debt financing (subject to customary recourse carve-outs). The Fund may also obtain recourse debt financing collateralized by the Funds' assets, including any undrawn capital commitments of the Funds through the use of a subscription line of credit. Although the use of leverage may enhance returns and increase the number of investments that can be made, it is likely to increase volatility and may also substantially increase the risk of loss. There can be no assurance that the Funds will be able to obtain credit at all or to obtain credit on terms available to its competitors, or that indebtedness will be accessible by the Funds at any time, and to the extent that it is available, there can be no assurance that such indebtedness will be on terms favorable to the Funds, including with respect to interest rates. The failure by the Funds to obtain indebtedness on favorable terms (or at all) could adversely affect the Funds' investment results. In addition, although certain limitations on leverage are set forth in the relevant Fund's offering documents, there is no limitation on the general partner's authority to cause the Funds or any SPVs to enter into or provide "bad boy" or "big boy" guarantees that are customary in connection with real estate-related transactions, and any such guarantees will be excluded in applying those leverage limitations.

In general, the amount of indebtedness that the Funds or an SPV will be able to incur will depend on the types of assets it owns, the credit rating of such assets and the volatility in the market value of such assets. A lender is likely to provide more leverage for a diverse portfolio of investments consisting of higher-rated, liquid investments with low price volatility than for a more concentrated portfolio of

investments consisting of lower-rated, less liquid investments with higher price volatility. The types of agreements governing such indebtedness may contain covenants limiting the Funds' or the SPV's operations. In particular, the Funds or the SPV may be subject to limitations on its ability to make distributions such that the making of certain distributions could result in an event of default, covenant breach or other adverse consequence in respect of the Funds or the SPV.

Agreements governing the Funds' or an SPV's incurrence of indebtedness will generally specify certain events of default that may trigger the termination of any commitments to lend, require the Funds or the SPV, as applicable, to immediately repay in full any amounts outstanding, and give the lender the ability to sell the collateral securing the Funds' or the SPV's debt. On the occurrence of an event of default, the lender would generally have the right to foreclose on the Funds' or the SPV's investments securing the loan and to liquidate such investments, with the proceeds from such liquidation credited toward the amount owed to the lender. There can be no assurance that any such liquidation will occur at an advantageous time or at favorable prices. Such a liquidation may also result in lower sale prices than if such assets were sold in a more orderly manner.

Potential Cross-Fund Liability. Certain investments may be purchased or held through SPVs that make or hold investments on behalf of the Funds and other affiliated funds. The Fund's participation in any such investments may be governed by an agreement that grants the Funds an economic interest in such investments. In exchange for this interest, the Funds will be responsible for paying the purchase price and any other liabilities of the SPV related to the particular investments in which the Funds participates. A creditor having a claim that relates to a particular investment held by the SPV (including an investment in which the Funds does not have an interest) may be able to satisfy such claim against all assets of the SPV, including other investments in which the Funds has an interest. Architect will typically seek to mitigate this potential for cross-fund liability. In addition, to the extent that the Funds and other affiliated funds own debt interests in the SPV, a creditor having a claim against the SPV may in some circumstances rank senior to the claims of the Funds and other affiliated funds and/or seek to have the debt interests of the Funds and the other affiliated funds equitably subordinated.

Counterparty Risk. Some of the markets in which the Funds may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Funds' internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Funds' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Counterparty Default. The stability and liquidity of repurchase agreements, swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that Architect will monitor on an ongoing basis the creditworthiness of firms with which it will enter into repurchase agreements,

interest rate swaps, caps, floors, collars or other over-the-counter derivatives. However, the creditworthiness or general stability of counterparties may be extremely sensitive to particular market conditions (including market perceptions) that are difficult to predict. If there is a default by the counterparty to such a transaction, the Funds will under most normal circumstances, have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs, which could result in material losses to the Funds. Furthermore, there is a risk that any of such counterparties could become insolvent and/or be the subject of insolvency proceedings. If one or more of the Funds' counterparties were to become insolvent or the subject of insolvency proceedings in the U.S. (including under the Securities Investor Protection Act of 1970 or the U.S. Bankruptcy Code), there exists the risk that the recovery of the Funds' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, the Funds may use counterparties located in jurisdictions outside the U.S.. Such local counterparties are subject to the laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Funds' assets may be subject to substantial limitations and uncertainties. Because of the large number of counterparties and jurisdictions that may be involved and the range of possible factual scenarios involving the insolvency of a counterparty, the effect of their insolvency on the Funds and its assets is unknown. Investors should assume that the insolvency of any counterparty would result in a loss to the Funds directly, which could be material.

Access to Information. Subject to the offering documents, in response to questions and requests and in connection with due diligence meetings and other communications, the Funds and the general partner may provide information to certain investors and prospective investors that is not distributed to other investors and prospective investors. Furthermore, investors who are also investors in one or more Other Accounts may be provided with additional information with respect to certain investments that are held by both the Funds and the Other Accounts. Such information may affect a prospective investor's decision to invest in the Funds. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions.

Material Non-Public Information. Because of their responsibilities in connection with investment-related activities of Architect and its affiliates not related to the Funds, certain employees of Architect and its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Cybersecurity Risk. As part of its business, the general partner and Architect processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of investors. Similarly, service providers of the Funds, including the Funds' administrator, may process, store and transmit such information. The general partner and Architect have procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Network-connected services provided by third parties to the general partner and Architect may be susceptible to compromise, leading to a breach of the general partner and Architect's network. The general partner and Architect's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Web-based services provided by the Funds' administrator to investors may also be susceptible to compromise. A breach of the general partner and Architect's information systems may cause information relating to the transactions of the Funds and personally identifiable information of investors to be lost or improperly accessed, used or disclosed.

Contingent Liabilities. From time to time, the Funds may incur contingent liabilities in connection with an investment. For example, in connection with the disposition of a Fund investment in a portfolio company, the Funds may be required to indemnify the purchasers of such Fund investment in connection with representations made by the Funds about the business and financial affairs of such company typical of those made in connection with the sale of a business. Any reserves or escrows that the general partner may establish or fund in respect of contingent liabilities may prove to be of insufficient size to meet the liabilities actually incurred. For example, in determining whether or not to establish such reserves or escrow, as well as the amounts of each, if any, the general partner may assume the applicability of tax treaties between certain countries. Changes made to any such tax treaties may affect the rate of tax that the parties to such transaction must directly or indirectly bear, such that indemnification is required. In that regard, investors may be required to return amounts distributed to them to fund obligations, including indemnity obligations, subject to certain limitations set forth in the offering documents

U.S. Partnership Tax Audit Risk. An audit adjustment to a Fund's tax return for any tax year (a "Prior Year") could result in a tax liability (including interest and penalties) imposed on the Fund for the year during which the adjustment is determined (the "Current Year"). The tax liability generally is determined by using the highest tax rates under the Code applicable to U.S. taxpayers although the Fund may be able to use a lower rate to compute the tax liability by taking into account (to the extent it is the case and the implementing rules permit) that the Fund has certain tax-exempt partners. Alternatively, the Fund may be able to elect with the Service to pass through such adjustments for any year to the partners who participated in the Fund for the Prior Year, in which case each Prior Year participating partner, and not the Fund, would be responsible for the payment of any tax deficiency, determined after including its share of the adjustments on its tax return for that year. If such an election is made by the Fund, interest on any deficiency will be at a rate that is 2 percentage points higher than the otherwise applicable interest rate on tax underpayments. If such an election is not made, Current Year partners may bear the tax liability (including interest and penalties) arising from audit adjustments at significantly higher rates and in amounts that are unrelated to their Prior Year economic interests in the partnership items that were adjusted.

Credit Risks. While loans and most other assets purchased or originated by the Funds will generally be collateralized, the Funds may be exposed to losses resulting from default. Therefore, the value of the underlying collateral, the creditworthiness of the borrower or other counterparty and the priority of the lien are each of great importance. The Fund cannot guarantee the adequacy of the protection of its security interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of the applicable security interests. The liquidation proceeds upon sale of a collateralized asset may not satisfy the entire outstanding balance of principal and interest payable, resulting in a loss to the Funds. Any costs or delays involved in the effectuation of a foreclosure of the asset or a liquidation of the underlying property will further reduce

the proceeds and thus increase the loss.

Increased Complexity of Alternative Lending. The market for alternative finance or private capital continues to grow and become more competitive. Rising competition, intense deal activity, and the reach for yield have led to more complicated capital structures. This complexity coupled with higher interest rates are signs of a maturing credit cycle – which in turn signals an increased risk of defaults.

Interest Rate Risk. Changes in interest rates can affect the value of the Funds' investments. The U.S. has experienced a decade-long period of historically low interest rate levels. However, the continued recovery of the U.S. economy, recent and potential future changes in U.S. government policy, including the tapering of the U.S. Federal Reserve Board's quantitative easing program and increases in the federal funds rate, increase the likelihood that interest rates will rise in the future. Increases in interest rates may cause the value of debt instruments and real estate and other assets which serve as collateral for an investment to decline. Changes in interest rates may also affect the rate at which the Funds can obtain financing, which could potentially diminish the returns of the Funds. Certain of the Funds' investments may be particularly sensitive to changes in interest rates, including investments in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

Fraud. Of paramount concern in loan transactions is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Funds to perfect or effectuate a lien on the collateral securing the loan. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Loan Prepayments. Loan prepayments and defaults may reduce the Funds' expected returns. The terms of most of the loans and certain other portfolio assets of the Funds permit prepayment. Prepayments, accelerated amortization due to structural features of the portfolio assets, the inability of obligors to refinance portfolio assets and defaults on the portfolio assets may cause the Funds not to receive its expected return on such portfolio assets and, in certain circumstances, may result in a loss on such investments. The Fund may not be able to reinvest principal received on the portfolio assets at yields equivalent to the yield on such portfolio assets; therefore, the ultimate return that the Funds receives on its investment in the portfolio assets may be less than the return it expected on the portfolio assets at the time of the initial investment. The rate of prepayments, amortization and defaults may be influenced by various factors including, but not limited to, (i) changes in obligor performance and requirements for capital, (ii) the level of interest rates, (iii) the availability of credit being extended and changes in credit underwriting standards in the commercial lending industry and (iv) the overall economic environment, including, but not limited to, any fluctuations in the recovery from the current economic conditions.

Loan Restructurings. Restructurings of loans may decrease the value thereof. The Fund will have broad authority to execute amendments, waivers, modifications and other changes to the loans and other portfolio assets. During the various economic and business conditions it is likely that restructurings thereof will increase. There is no guarantee that restructuring will maximize the value

of, or any recovery on, any such portfolio asset. Any restructuring can fundamentally alter the nature of the related portfolio asset and restructurings are not subject to the same underwriting standards that are employed in connection with the origination or acquisition thereof. Additionally, an obligor may issue equity securities in connection with the restructuring of any portfolio asset that may be restricted, illiquid and expected not to be of significant value until after a recovery of the obligor's business prospects, which may or may not occur. Any restructuring could alter, reduce or delay the payment of interest or principal from any portfolio asset and result in extension of the term thereof, which could delay the timing of and reduce distributions made to the investors.

High-Risk Investments. The Fund may acquire assets secured by high-risk collateral, including financial assets secured by subordinated loans and other debt and equity co-investments; real estate (including distressed commercial and residential real estate) and other real assets securing commercial and industrial loans; bankruptcy claims, pre-settlement litigation payments, small business administration loans and other liens on high-risk collateral, or notes or pledges made by high-risk borrowers, including sub-prime and non-performing loans. Such assets generally carry below-investment grade credit ratings, or lack credit ratings altogether. These assets and/or the loans underlying these types of assets may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses. There can be no assurance that these assets will perform, the borrowers will pay as expected, or, if defaulted, that the underlying assets will be able to be foreclosed upon and liquidated in a cost-effective manner. In addition to the risks of borrower default, such investments will be subject to a variety of risks in connection with such debt instruments, including risks arising from mismanagement or a decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the right of the Funds' exercise of contractual remedies for defaults on such investments.

Distressed Investments. The Fund may invest in "below-investment grade" securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, or facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments, although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Funds' investment in any instrument, and a significant portion of the obligations and securities in which the Funds invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that Architect will correctly evaluate the value of the assets underlying the Funds' loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Funds invests, the Funds may lose its entire investment, may be required to accept cash or securities with a value less than the Funds' original investment and/or may be required to accept payment over

an extended period of time. Under such circumstances, the returns generated from the Funds' investments may not compensate the investors adequately for the risks assumed.

Investment in Early-Stage Companies. The Fund may invest in the securities of smaller, early-stage companies which will involve greater risks than are generally associated with investments in more established companies. Early-stage companies tend to have a lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performances.

Follow-On Investments. The Fund expects to have the opportunity, or be called upon, to provide follow-on funding for certain portfolio investments (i.e., "Follow-On Investments" as defined above). Electing not to make a Follow-On Investment could have a substantial negative impact on an investment in need of capital, may diminish the Funds' ability to influence the investment's future development, may result in dilution of the Funds' existing investment and could impair the value of such investment and, in turn, the value of the Funds. If the Funds elects to make a Follow-On Investment, there is a risk that the Follow-On Investment does not preserve, protect or enhance the existing investment, and the Funds may lose both its initial investment and the Follow-On Investment.

Nature of Investment in Secured Loans. The Fund's portfolio assets may include secured debt, which involve various degrees of risk of a loss of capital. Such loans may be secured by individual assets or a pool of assets, such as inventories, account receivables, consumer receivables; loans and leases; trade receivables; property, plant, and equipment; intangible assets; and other assets. The risk of such arrangements depends both on the underlying assets and the legal structure of the loan. Such arrangements may not be based on assets that have the benefit of a security interest in collateral or, if such underlying assets are secured, they may be under-secured or secured by collateral which is of such a small value that it is not worth realizing on it. There is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on the underlying loans. Further, these loans may require a scheduled principal payment as well as require or permit unscheduled payment from the voluntary prepayment, refinancing or foreclosure of the underlying assets. Because of these unscheduled payments of principal, or prepayments on the underlying assets, the price and yield of these loans can be adversely affected. For example, during periods of declining interest rates, prepayments can be expected to accelerate, and the Funds, if applicable, would be required to reinvest the proceeds at the lower interest rates then available. In addition, like other interest-bearing loans, the values of these securities or loans generally fall when interest rates rise, but when interest rates fall, their potential for capital appreciation is limited due to the existence of the prepayment option.

The factors affecting an issuer's secured leveraged loans, and its overall capital structure, are complex. Some secured loans may not necessarily have priority over all other debt of an issuer. For example, some secured loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve secured loans only on specified assets of an issuer (e.g., excluding real estate). Issuers of secured loans may have two tranches of secured debt outstanding each with secured debt on separate collateral. Furthermore, the liens referred to herein generally only cover domestic assets and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of a Chapter 11 filing by an issuer, the Bankruptcy Reform Act of 1978, as amended (the "Bankruptcy Code") authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a priority lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be

“adequate protection” which may but need not always consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of priority liens on the Funds’ collateral would adversely affect the priority of the liens and claims held by the Funds and could adversely affect the Funds’ recovery on the affected loans.

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Mezzanine Debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of the Funds to influence a company’s affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the

insolvency of a portfolio company of the Funds or a similar event, the Funds' debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Restricted Securities. Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the Funds. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

Illiquid Investments. The Fund may invest in securities and other assets that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and the Funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. In addition, in times of extreme market disruption, there may be no market at all for one or more of the asset classes held by the Funds, potentially resulting in the inability of the Funds to dispose of its assets for an indefinite period of time. Therefore, the potential exists for investments that cannot be liquidated within the term of the Funds to be distributed in kind to the investors upon the termination of the Funds. Illiquid investments may sell at a price lower than similar securities that are more liquid.

Hedging Transactions. The Fund may from time to time purchase or sell forwards, swaps or options on currencies, securities and indices. It is the intention of the Funds to engage in such transactions as a way to mitigate risk associated with its investments; however, it is generally impossible to fully hedge an investment given the uncertainty as to the amount and timing of projected cash flows and investment returns, if any, on the Funds' investments. This may lead to losses on both the Funds' investments and the related transaction. Hedging against a decline in the value of Fund investments may not eliminate fluctuations in the values of Fund investments or prevent losses if the values of such investments decline, but instead establish counterbalancing investment positions designed to gain from those same developments, thus offsetting the decline in the Funds investments' value. Such hedging transactions may also limit the opportunity for gain if the value of the hedged Fund investments should increase. Moreover, it may not be possible for the Funds to hedge against a change in the value of its investment at a price sufficient to protect the Funds' assets from the decline in value anticipated as a result of such change. In addition, it may not be possible to hedge against certain risks at all.

The success of the Funds' hedging transactions will be subject to its ability to predict correlations between the value of the Funds' investments and the direction of currency exchange rates, interest rates and securities prices. Therefore, while the Funds may enter into such transactions to seek to reduce currency exchange rate, interest rate or securities value risks, unanticipated changes in currency exchange or interest rates may result in a poorer overall performance for the Funds than if it had not engaged in any such hedging transaction. In addition, the degree of correlation between price

movements of the instruments used in a hedging strategy and price movements in the Funds investments being hedged may vary. Moreover, for a variety of reasons, the Funds may not seek to hedge certain assets or establish a perfect correlation between such hedging instruments and the assets being hedged. Such imperfect correlation may prevent the Funds from benefiting from the intended hedge or expose the Funds to additional risk of loss.

Options, Derivatives, and Synthetic Obligations. The use of or investment in options, derivatives and synthetic obligations entails certain special risks that may impact the Funds. Such instruments may be illiquid, and it is possible that the Funds or a joint venture will not be able to terminate such instruments prior to their expiration date or that the penalties associated with such a termination might impact the Funds' or a joint venture's performance in a material adverse manner. If the Funds or joint venture seeks to participate using such instruments, they will not acquire any voting interests or other shareholder rights that would be acquired with a direct investment in the underlying securities or financial instruments. Accordingly, the Funds or joint venture will not participate in matters submitted to a vote of the shareholders. In addition, the Funds or joint venture may not receive all the information and reports to shareholders that an investor would receive with a direct investment. Further, the Funds or joint venture may need to pay structuring fees and ongoing transaction fees to the counterparty to any such derivative instrument, which will reduce its investment performance. Finally, certain aspects of the appropriate U.S. federal income tax treatment of such instruments are uncertain and, if a joint venture's U.S. federal income tax treatment of such instruments proves to be inappropriate, an investor's after-tax return from its indirect investment in such joint venture may be adversely affected. In addition, the Funds or joint venture may be subject to counterparty risk relating to the inability or refusal of a counterparty to perform on contracts underlying such instruments. If the counterparty's creditworthiness declines, the value of an instrument may also decline, potentially resulting in losses for the Funds or joint venture.

General Private Equity Risks. The Fund may from time to time invest in private equity investments, particularly those that may relate to companies undergoing debt restructurings and recapitalized companies, which involve a high degree of business and financial risk. Such companies may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may also face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses.

Although the general partner may seek protective provisions, including, possibly, board representation, in connection with certain of its private equity investments, to the extent that the Funds takes minority positions in companies in which it invests, the general partner may not be in a position to exercise control over the management of such companies, and, accordingly, may have a limited ability to protect its position in such companies.

Co-Investments with Third Parties. The Fund may co-invest with third parties through jointly owned acquisition vehicles, joint ventures or other structures. In such situations, the Funds' ability to control its equity investments will depend upon the nature of the joint investment arrangements with such partners and the Funds' relative ownership stake in such investments. The Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict the Funds' ability to dispose of its investments for potentially significant periods of time. Such investments may

involve risks not present in investments where a third-party is not involved. A co-venturer or partner of the Funds may at any time have financial difficulties or have economic or business interests or goals which are inconsistent with those of the Funds or may be able to take (or block) action inconsistent with the Funds' investment objectives. The Fund may also be liable in certain circumstances for actions of its co-venturers or partners. Co-investments may also involve higher costs than other investments.

Lender Liability Considerations and Equitable Subordination. In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. For example, under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Fund does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, the Funds may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated. The Fund's investments could involve investments in which the Funds may be subject to lender liability or equitable subordination claims affecting the Funds' investments.

Risks of Investments in Hard Assets. The Funds may invest in hard assets, or in loans collateralized by hard assets, such as aircraft, rail cars, ships, power plants, distribution networks, toll roads, other infrastructure assets and various types of machinery and equipment. These investments are subject to risks—destruction, loss, terrorist attacks, industry-specific regulation (e.g., environmental regulations, such as pollution control regulations), operating failures, labor relations, etc.—that typically may not be present with respect to other investments the Funds may make. If the value of such assets depreciates, then the value of any loans held by the Funds that are backed by such underlying collateral would also depreciate. In addition, the regulation of such assets is extensive and variable, and the Funds' commitment to certain of such assets (e.g., if the Funds were to invest in a power plant or a loan collateralized by a power plant) could be wholly illiquid for long periods of time.

Risks of Investing in Real Estate and Real Estate-Related Securities. The Funds may invest in real estate loans, real estate (provided that the investments in real estate will only occur indirectly through investments in certain loans held by the Funds) and real estate-related investments. Where the Funds invests in a real estate asset on a passive basis, it will typically give a third-party operating partner and/or property manager a large degree of authority and responsibility for daily management of the assets. The Fund may also invest a portion of its assets in a concentrated portfolio of real estate securities. Real estate and real estate-related investments generally will be subject to the risks incident to the ownership and operation of real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate, including: (i) risks associated with the general economic

climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in tax, real estate, environmental and zoning laws and regulations beyond the control of the Funds; (x) various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of the Funds or third-party borrowers to manage the real properties. The Fund will in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. In the event that the Funds invests in real estate with a joint venturer or partner, the Funds may be unable to exercise sole decision-making authority (including determining when to liquidate such assets) and will be subject to the risk that a joint venturer or partner will act negligently or in a manner contrary to the Funds' best interest. Movements in the overall real estate market due, for example, to changes in property values, cyclical changes in the economy, vacancies of rental properties, overbuilding, environmental liabilities, changes in local laws, changes in property taxes, changes in the Code or changes in interest rates could adversely impact the Funds. In addition, the real estate securities in which the Funds may invest are potentially subject to the impact of leverage at both the property and entity levels. For example, REITs generally invest in real estate operating properties which can be highly leveraged (through both on- and off-balance sheet financing). There is no assurance that there will be a ready market for resale of investments because investments in real estate-related assets generally are not liquid. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on the resale of the investments by the Funds.

Risks Associated with Bankruptcy Cases. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Funds. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Funds; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

The Fund may invest in companies based in Organisation for Economic Co-operation and Development (OECD) countries and other non-U.S. countries. Investment in the debt of financially distressed companies domiciled outside the U.S. involves additional risks. Bankruptcy law and process may differ substantially from that in the U.S., 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. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain. (See "Certain Risk Factors—Non-U.S.

Investments.”)

U.S. bankruptcy law permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Funds’ influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, 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. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such (i.e., as creditors or equity holders) when they take over management and functional operating control of a debtor. In those cases where the Funds, by virtue of such action, is found to exercise “domination and control” of a debtor, the Funds may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by the Funds.

Architect or its affiliates, on behalf of the Funds, may elect to serve on creditors’ committees, official or unofficial, equity holders’ committees or other groups to ensure preservation or enhancement of the Funds 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 which are represented by such committee or group. If Architect concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Funds, it will resign from that committee or group, and the Funds may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Funds is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of, or increasing, its investments in such company while it continues to be represented on such committee or group.

The Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Non-U.S. Investments. The Fund may invest a portion of its assets in the debt or other securities and instruments of issuers located outside the U.S. Investing in securities of non-U.S. issuers involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. issuers. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the U.S., and as a result, liquidity may be reduced and price volatility and transaction costs may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of funds or other assets of the Funds, changes in exchange control regulations, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards,

political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

The Fund may be subject to additional risks, which include possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income realized, or gross sale or disposition proceeds received, by the Funds from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by the Funds will reduce its net income or return from such investments. While Architect may take these factors into consideration in making investment decisions for the Funds, no assurance can be given that the Funds will be able to fully avoid these risks.

Item 9. Disciplinary Information

Architect has not been involved in any legal or disciplinary events that would be material to a client's evaluation of the Company.

Item 10. Other Financial Industry Activities and Affiliations

As stated in Advisory Services above, the Company sponsors investment related limited partnerships and offshore investment companies. Architect Capital GP, LLC, Architect Capital US GP, LLC and Architect Capital Partners, L.P., all affiliates of Architect serve as the Managing Member of the Funds.

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

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), Architect has adopted a written Code of Ethics (the "Code") predicated on the principal that the Company owes a fiduciary duty to the Clients and its investors. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Architect, as well as their immediate family members (collectively the "Covered Persons"). The Company requires its Covered Persons to act in the Clients' best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Architect's Code generally prohibits Covered Persons from trading in certain securities where the Funds may be pursuing an investment.

The Code also requires Covered Persons to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Architect with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Covered Persons have a direct or indirect beneficial interest.

A copy of Architect's Code shall be provided to any investor or prospective investor upon request.

Architect, its Principals, and certain employees will generally have a material direct or indirect investment in the Funds. Therefore, Architect may be considered to participate, indirectly, in transactions effected for the Funds. Investments made by Architect, its Principals, and employees are generally made on the same terms as investors in the Funds. However, fees and investment minimums may be waived or reduced for Architect, its Principals and employees. Architect does not believe this arrangement presents any material conflicts of interest since its interest are aligned with the interest of investors.

Item 12. Brokerage Practices

Architect invests in private credit agreements and therefore does not engage in traditional brokerage activities.

Item 13. Review of Accounts

Investors in the Funds receive monthly or quarterly reports of capital account balances as provided in the relevant Fund's offering documents. Investors also receive annual audited financial statements prepared in accordance with GAAP and provided within 120 days of the relevant Funds' fiscal year end. In addition, Architect may agree to provide certain investors more frequent or more detailed reports.

Item 14. Client Referrals and Other Compensation

Architect does not receive any compensation for the recommendation of investments to clients or investors. The Firm has hired one independent placement agent to solicit investors in the Funds. More information regarding the placement agents is available on Architect's Form ADV Part 1A.

Item 15. Custody

All Client assets are held in custody by unaffiliated broker/dealers or banks. Privately offered, uncertificated securities that are purchased on behalf of Clients may be maintained in the safe-keeping of the Company or its designee (outside counsel, bank deposit box etc.).

However, as noted above in Item 7, the general partner of the Funds is a related party to Architect and therefore the Company is deemed to have custody over client assets in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940.

To comply with Rule 206(4)-2 and to provide meaningful protection to investors, each Client is subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles, and are distributed to each investor within 120 days of the Client's fiscal year end.

Item 16. Investment Discretion

Architect manages Client accounts on a discretionary basis, subject to the objectives and restrictions contained in the governing documents of the Clients. In accordance with the governing documents, the Company has the authority to determine the securities to be bought and sold without obtaining Client or investor consent to specific transactions.

Architect does not provide any investment advice to investors directly and investors are not permitted to place any restrictions or modifications on the investment activities of the Clients.

Item 17. Voting Client Securities

The Advisers Act requires investment advisers that have proxy voting authority to: (i) adopt policies and procedures for voting proxies in the best interest of the client; (ii) describe the procedures to clients; and (iii) inform clients how they may obtain information about how the adviser voted their proxies.

As a result of the investment strategy employed by Clients, Architect does not anticipate receiving many proxy ballots. As a result, Architect will generally vote proxies with management, or in a manner that Architect believes is in the best interests of the applicable Client(s) and may take into consideration, among other things, whether the costs associated with exercising the proxy outweigh the benefits.

Furthermore, as a fiduciary, Architect always seeks to act in Clients' best interests with good faith, loyalty, and due care. If "Class Action" documents are received by Architect on behalf of its Clients, Architect will ensure that the Clients either participate in, or opt out of, any class action settlements received. Architect will not serve as a lead plaintiff in any class action.

Item 18. Financial Information

Architect has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.