

FORM ADV PART 2A: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Velocity Capital Advisors, LLC. If you have any questions regarding the contents of this brochure, please contact us at 917-847-0499 or via email at info@velocitycapllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. Additional information about Velocity Capital Advisors, LLC can also be found on the SEC’s website at www.adviserinfo.sec.gov.



Item 2 Material Changes

Since we filed our last brochure on March 31, 2023, we have reclassified the discretionary and non-discretionary amounts of our regulatory assets under management and clarified in Item 15 those instances when velocity has custody of client funds.

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Item 4 Advisory Business

Velocity Capital Advisors, LLC (“Velocity”), a Delaware limited liability company, is an investment advisory firm, which began lending operations in September 2019. It is headquartered in New York, with offices in Los Angeles and Washington DC. The firm is owned indirectly by Mr. Edward Levy and Mr. Geoffrey Chang through their ownership in Velocity Structured Solutions, and Reinsurance Group of America, Incorporated.

Velocity’s investment strategies focus on providing bespoke financing solutions to alternative asset managers and their private investment funds. The financing solutions can be both direct and indirect investments primarily in the form of debt but may also include preferred equity liquidity solutions. Velocity tailors its advisory services to the specific investment objectives and restrictions of each Client.

As of December 31, 2023, Velocity provides advice to 7 clients with a total regulatory assets under management of \$650 million on a discretionary basis and \$168 million on a non-discretionary basis.

Item 5 Fees and Compensation

Velocity and separately managed account clients (“Clients”) negotiate Velocity’s compensation, which may take various forms and vary between Clients. Based on those negotiations, an investment management agreement (“IMA”) will be created that details the compensation Velocity will be entitled to receive in return for providing its advisory services. Each Client is obligated to pay Velocity certain fees in the form of a management fee, or alternatively, as a one-time fee in return for Velocity’s ongoing advisory services. A Client’s management fee is based on various factors, including the amount of the capital committed, the investment mandate, the type of asset, and the scope of Velocity’s services. The basis of a Client’s management fees can be a specific amount, a percentage of a Client’s committed capital, a percentage of a Client’s deployed capital or a combination of the above and may change over the term of the IMA. The payment of management fees may also be either in advance or in arrears. Management fees based on percentage of committed or deployed capital range between 70 basis points and 100 basis points. Certain Clients may also be obligated to

pay Velocity a performance-based fee (“Carried Interest”). Carried Interest, when applicable, is subject to a hurdle rate and calculated either individually for each investment or cumulatively across a portfolio. Carried Interest earned on unrealized gains will be paid either annually and trued-up when each investment is realized, or only upon full realization. Velocity senior investment professionals are subject to co-investment obligations in each funded deal, *pari passu* with Client’s investments, and clawback provisions as it relates to any Carried Interest.

To the extent not reimbursed directly at the closing of each transaction and depending on the type of asset, Clients may also agree to pay certain out-of-pocket expenses incurred in connection with underwriting, due diligence, consulting work, obtaining a credit rating (credit worthiness) from an accredited third party and/or legal billings for services performed relating to a particular investment made into their accounts.

Velocity provides advisory services to an “adviser affiliate” (see Item 10 - Other Financial Industry Activities and Affiliations), who has negotiated certain favorable terms including a most favored nation (“MFN”) clause in their investment management agreement with Velocity. This clause requires Velocity to notify the adviser affiliate if Velocity subsequently enters into an investment management agreement with another Client that establishes or grants any rights or benefits, directly or indirectly, which are more favorable financially than the rights and benefits currently offered to the advisory affiliate. The applicability of an MFN clause will depend on the degree of similarity between Clients, including the type of client, the scope of the advisory relationship, reporting, the amount of assets under management, and Velocity’s compensation structure. Velocity has sole discretion over whether to grant MFN clauses or to reduce advisory fees for other Clients and has no obligation to provide notice to, or obtain the consent of, one Client when granting more favorable terms or rights including the waiving, reducing or varying of management fees or Carried Interest or modifying other contractual terms of another Client.

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

Certain Clients, pursuant to their IMA, are obligated to pay Velocity Carried Interest. Carried Interest creates various conflicts of interest in the form of incentives for Velocity to favor certain Clients over

other Clients. Velocity has an incentive to allocate more favorable investment opportunities to those Clients that pay velocity Carried Interest compared to those Clients that do not. Velocity also has an incentive to allocate more favorable investment opportunities to those Clients that pay a higher Carried Interest. In addition, when a Client is obligated to pay Velocity Carried Interest, Velocity has an incentive to make riskier investments than would have otherwise been initiated. To mitigate these conflicts, we have adopted policies and procedures to ensure that investment decisions and allocations are made based on the best interests of our Clients and their respective IMAs, and without consideration of our financial interests.

Item 7 Types of Clients

Velocity currently only provides advice to institutional separately managed accounts. A typical Client will need to commit at least \$15 million to become a Client.

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

Velocity seeks to provide customized financing solutions that are uniquely tailored to the specific needs of alternative asset managers and the private investment funds they advise. Although unusual, Velocity may lend to the underlying portfolio companies that form the investments of the private investment funds (collectively with the alternative asset managers and the private investment funds, the “Borrowers”). Velocity’s financing solutions are often structured as non-dilutive, bespoke, and cost-effective. Our flexibility allows us to provide creative financing solutions with various characteristics, such as variable draw and repayment features, a full spectrum of loan to value attachment points and both cash and PIK interest options. Velocity is comfortable providing long-term financing to alternative asset managers focused on various strategies including venture capital, private equity, infrastructure, and real estate.

Velocity seeks to minimize nonpayment risk by structuring such financings to provide Clients with a priority position when the alternative asset manager makes a distribution or collects its management fees or carried interest. Velocity also seeks to structure financing that are cross-collateralized, often by a portfolio of assets.

Velocity employs a disciplined due diligence process that is based on rigorous fundamental analysis of each alternative asset manager, their private investment funds and the underlying portfolio companies to identify key risk factors and cash flow drivers. Velocity's analysis of a private investment fund's underlying portfolio companies includes: a review of the company's overall business model, value-add proposition, industry, position and competitive dynamics within that industry, customer and supplier dynamics, valuation considerations and methodologies, and a thorough financial analysis of revenues, earnings, projected cash flow and balance sheet strength. Velocity may also use third party diligence to provide some of this information when warranted. Velocity requires frequent and detailed reporting by Borrowers of key metrics in order to ensure constructive ongoing monitoring.

Investing in the financing solutions provided by Velocity involves risk of loss, and clients should have the ability to sustain the loss of their entire investment. There is no assurance that Velocity's performance goals will be achieved. In addition, investing in the financing solutions offerings by Velocity will expose Client to certain unique risks, which include:

Unfunded Commitments. The terms of certain loans or other forms of indebtedness held by Clients advised by Velocity may obligate such persons to extend to a borrower additional credit in the future, either at the request of the borrower or if certain other conditions are met. Any such additional extension of credit would increase such Client's exposure to the applicable borrower. In addition, if a Client does not have adequate available funds or chooses not to fund at the time additional credit is required, the Borrower may seek to assert claims for damages against such Client.

Sources of Capital – Other sources of capital, which may be necessary for an alternative asset manager like Velocity to execute its investment strategy, may not be available. Velocity's ability to access flexible capital allows it to provide certain terms and conditions to prospective borrowers that differentiates it from competitors. In addition, Velocity can effectively reduce its reliance on any single source of funding, while also amplifying its capacity to underwrite larger investment amounts. The latter, in turn, enhances Velocity's ability to influence structural terms, protections and pricing, and to pursue a wider cross-section of the NAV financing market.

Highly Competitive Market for Investment Opportunities. A number of entities compete with Velocity to make the same types of investments in middle-market companies. We compete with public and private funds, including commercial and investment banks, commercial financing companies, and, to the extent they provide an alternative form of financing, other private equity funds. As a result, competition for investment opportunities at middle-market companies can be intense. Many of Velocity's potential competitors are substantially larger and have considerably greater financial, technical and marketing resources. In addition, some competitors may have a lower cost of funds and access to funding sources that are not available to Velocity, or have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships. Participants in the NAV lending industry compete on several factors, including price, flexibility in transaction structuring, customer service, reputation, market knowledge and speed in decision-making, underwriting, commitment and funding. Velocity does not seek to compete primarily based on the interest rates offered, and believes that some competitors may make loans with interest rates that are lower than the rates Velocity can or is willing to offer, resulting in Velocity losing investment opportunities if unable to match competitor pricing, terms and structure. Notwithstanding that, even if Velocity were to match competitor pricing, terms and structure, this may decrease net interest income and increase risk of credit loss.

Loans to Private Investment Funds. Loan origination to private equity and other private investment funds generally involves the types of risks that are inherent in debt origination or investment in debt securities in general, except that such loans may involve risks that (i) the valuation of underlying collateral may be more difficult to assess; (ii) investors in the relevant private investment fund may resist or contest such loans; (iii) the investment manager and the general partner of a relevant private investment fund may be removed, subjecting a borrower private investment fund to potential management instability; (iv) such loans may be structurally subordinated to debt already in existence, or that may exist in the future, at the underlying portfolio company level and/or may otherwise be subordinated to current or future senior debt at the fund level. In addition, to the extent that any debt to a private investment fund is secured by uncalled capital commitments, there is a risk of default. The valuation of private investment fund assets that typically comprise Velocity's loan collateral is a highly subjective and imperfect process.

Secured Loans. Clients may be exposed to losses resulting from default and have to rely on the enforcement of its security interests in a variety of downside scenarios. Therefore, the value of the underlying collateral, the creditworthiness of the Borrower and individual portfolio companies, and the priority and enforceability of the lien on the collateral may each be of great importance. Middle market companies also are typically highly levered which increases the overall risk profile of each collateral asset. Furthermore, the structural seniority of operating company level debt relative to Velocity's fund or management-company level loans, implies that there may be significant value leakage prioritized ahead of Velocity in the collateral distribution waterfall.

Subordinated Loans or Securities. Although Velocity normally seeks to structure financing so Clients have priority in the payment stream, there may be situations where a Client's rights are subordinated or may be subordinated in right of payment and ranked junior to other securities issued by, or loans made to other obligors. If a private equity or private investment fund borrower or portfolio company borrower experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to fund clients. Borrower tax considerations may necessitate structuring investments in certain situations more like preferred stock than senior secured debt.

Repayment and Redemption Risk – Velocity's Clients may be dependent on the ability of an alternative asset manager, its private investment funds, or the underlying portfolio company and its controlling shareholders, to obtain replacement financing or sell its collateral to repay its loans or redeem preferred equity held by Velocity Clients. Loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses, and special hazard losses that are not covered by standard hazard insurance, and in the event of any default, Velocity's Client bears the risk of loss of principal and non-payment of interest and fees. If a borrower is unable to redeem a Client's preferred equity or debt interests therein when it is required to do so under its governing documents due to bankruptcy or other inability to pay, the Client bears the risk of loss of its entire investment. Focusing on middle market private equity sponsors and companies implies lending against smaller, less proven businesses that are inherently riskier to lend against. Repayment of Velocity's investment positions when contractually due is also subject to broader macro-economic conditions and the strength of private debt and equity capital markets – all of which are cyclical and can be volatile. Velocity's

investments typically have a deferred interest feature, such as OID income and PIK interest, could represent a higher credit risk than investments that must pay interest in full in cash on a regular basis.

A general economic downturn or severe tightening in the credit markets could materially impact the ability of borrowers to repay their loans, which could significantly impact Client returns. Numerous other factors may affect a borrower's ability to repay its loan, including the failure to meet its business plan or a downturn in its industry. A private equity investment firm's or their portfolio company's failure to satisfy financial or operating covenants imposed by Velocity or other lenders could lead to defaults and, potentially, termination of its loans or foreclosure on the secured assets. This could trigger cross-defaults under other agreements and jeopardize any portfolio company's ability to meet its obligations under the loans or debt securities that Client's hold. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in any related collateral and may adversely affect Velocity's investments.

Ability to Realize on Guaranties. To the extent that Clients provide financing directly to one or more underlying portfolio companies of a private investment fund, the private investment fund may provide, and execute in favor of the Client, a guaranty of payment. The guaranties provided by private investment funds, as applicable, in such situations may not be enforceable and, under specific circumstances, federal and state courts could void the guaranties under applicable fraudulent conveyance or other similar laws and require the client fund to return payments received from the private investment funds, respectively, in such capacity. In addition, the guarantors may lack sufficient assets to satisfy the guaranties. The ultimate enforcement of any guarantee may require pursuing a litigation process which can be lengthy and costly to the Client.

Relying on the Success of Underlying Portfolio Companies. The ability of a Borrower to meet its financing solution obligations to Velocity will often rely on the success and profitability of a private investment fund's portfolio companies. There can be no assurance that a portfolio company will be successful and able to generate enough cash flow or have the resources to make distributions to the private investment fund, which the alternative asset manager may be relying on in order to service any debt obligations. In the event that the relevant alternative investment manager or private

investment fund does not satisfy its guaranty, or the guaranty is invalidated, the Client may suffer a partial or total loss of invested capital.

Fraud. Investing in loans or preferred equity involves the possibility of material misrepresentation or omission on the part of the borrower or issuer. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loan or assets of an issuer of preferred equity. There are no guarantees that borrowers or their key decision makers, which may be in the hands of one or very few individuals depending on the counterparty, will not willfully breach the contracts they enter into.

Equitable Subordination. Velocity does not intend for its Clients 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 debt obligations and Client's focus on "active management" of its Investments, it may be subject to claims from creditors of an obligor that debt obligations of such obligor that are held by the client fund should be equitably subordinated.

Lack of Secondary Markets for Loans and Preferred Equity Interests. In general, the secondary trading markets for loans to, and preferred equity interests in, private investment funds (if any) are not well developed. Such lack of active trading markets may make it difficult to value such loans and preferred equity interests, result in a discount to expected value if Client chooses to exit the Investment pre-maturely, or make it challenging to find bona fide interested buyers of these positions. Illiquidity and adverse market conditions may mean that Clients may not be able to sell the loans it previously made to, or preferred equity interests it previously acquired in, private investment funds quickly or at a fair price.

Private Investment Fund Governance Rights. Although Velocity, on behalf of a Client, may negotiate certain governance rights with respect to a private investment fund in which it invests, such as, for example, the right to appoint a representative to any limited partner advisory committees of such private investment funds, there can be no assurance that Velocity will be successful in such negotiation or, if so, will be able to exercise any amount of influence through an advisory committee position over any private investment fund or underlying portfolio company, or that determinations

or recommendations advanced on behalf of Velocity's Client will prevail. Furthermore, if a Client has the ability to appoint a member to a private investment fund's limited partner advisory committee, the Client may be subjected to an increased risk of liability at the private investment fund or underlying portfolio company level, which may result in potential indemnification payments by the Client, thereby decreasing the returns.

Access to Information from Private Investment Funds. Velocity may not always receive full information from the private investment funds in which a Client invests because certain of this information may be considered proprietary by the private investment fund. Moreover, the accuracy, completeness and timely delivery of information on portfolio valuation and financial performance may vary, depending on the rigor of borrower's internal reporting, quality of attention from their internal resources, and departures of key personnel – all of which factors Velocity has limited ability to control.

Investments in Foreign Securities or Borrowers. Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments. Velocity's investment strategy contemplates potential investments in securities of companies and investment managers located outside of the United States. Investing in companies located outside of the United States may create exposure to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political, economic and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Although most of Velocity's Investments will be U.S. dollar-denominated, any Investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and economic and political developments. Velocity or its Clients may employ hedging techniques to minimize these

risks which can be costly, and there is also no assurance that these practices will, in fact, hedge currency risk or, that such strategies will be effective.

Other Risks

Cyber Security Breaches and Identity Theft. Information and technology systems of Velocity, its service providers, alternative asset manager and applicable underlying portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Velocity has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Velocity, its service providers, alternative asset managers and underlying portfolio companies may incur time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Velocity's, its service providers, the borrowing alternative asset managers and/or portfolio companies' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Velocity's, its service providers', the borrowing alternative asset managers' and/or portfolio companies' reputation, subject them and their respective affiliates to legal claims or otherwise affect their business and financial performance.

Natural Disasters, Epidemics, Pandemics and Terrorist Attacks. Areas in which Velocity has offices or where it otherwise does business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious diseases (e.g., MERS, COVID-19, etc). The occurrence of a natural disaster, epidemic or pandemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect Velocity's investment program and its ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and

adversely affect certain industries in which Velocity invests or could affect the areas in which Velocity has offices or where it otherwise does business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which the Fund invests.

Reliance on Key Personnel. The success of a Velocity Client depends upon the skill and expertise of key personnel of Velocity to identify, close and manage its investment program on behalf of Clients. The loss of their services or any key personnel could have a material adverse effect on Velocity and its Clients.

Item 9 Disciplinary Information

Velocity believes there are no legal or disciplinary events that are material to a Client's evaluation of Velocity's advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

Reinsurance Group of America, Incorporated ("RGA"), a publicly traded reinsurance company is an "advisory affiliate" of Velocity through its indirect, minority ownership of Velocity. RGA is also a Client and has entered into a strategic relationship with Velocity to commit capital to existing and new strategies advised by Velocity. RGA has also negotiated an MFN clause as discussed in Item 5 – Fees and Compensation. In addition to having an incentive to favor RGA when allocating investment opportunities between Clients with similar mandates, RGA's IMA requires Velocity to use RGA's initial committed capital as opposed to its available capital when allocating investment opportunities between RGA and Clients with a similar mandate. It is the policy of Velocity to allocate investment opportunities in a fair and equitable manner between all Clients with similar mandates and in accordance with each Client's IMA.

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

Velocity has adopted a code of ethics (the “Code”) that establishes the standard of business conduct that must be followed by all partners, officers, and employees of Velocity (collectively “Supervised Persons”). The Code incorporates the following general principles, which all Supervised Persons are expected to uphold: act in the best interests of Clients; conduct personal securities transactions in a manner consistent with the Code, which seeks to address certain conflicts of interest in this regard; avoid taking any inappropriate advantage of one’s position at Velocity; maintain confidentiality of information concerning Velocity’s financing recommendations; and provide accurate disclosure including reports required by auditors, regulators, or government bodies.

Velocity believes that these general principles not only help Velocity fulfill its obligations undertaken as an investment adviser, but also protect Velocity’s reputation and instill in Supervised Persons, Velocity’s commitment to honesty, integrity, and professionalism.

The Code also provides guidelines for Supervised Persons regarding adherence to securities laws generally, transactions in personal accounts involving public and private securities, activities outside of the investment adviser’s business, giving and receiving business-related gifts, and the maintenance and memorialization of certain family and/or close personal relationships. For example, the Code requires that all Supervised Persons obtain approval prior to effecting a securities transaction involving an initial public offering and limited offering, including the same financing solutions as Clients in a personal or related account for which the Supervised Person has not granted discretion to a third-party adviser. In addition, the Code requires that all Supervised Persons report Code violations and outlines potential sanctions for such violations. Velocity’s Chief Compliance Officer is responsible for various aspects of the Code’s administration, including without limitation the monitoring and review of personal securities transactions of Supervised Persons, and is available for any questions Supervised Persons have regarding the Code.

Certain activities of Velocity may present a potential conflict of interest. These activities may include for example, advising other Clients of Velocity, sponsoring investment vehicles (including those with investment objectives similar to or overlapping with those of current Clients), making investments for their own accounts, or engaging in other lines of business. Certain Clients have negotiated as part

of their IMA with Velocity that Velocity or an affiliate also participate in the same financing solutions as the Client invests. Velocity and its affiliated persons may also participate in the same financing solutions as the Client invests without having an obligation to participate. When Velocity or affiliated persons participate in the same investments as Clients it creates a conflict of interest as Velocity has an incentive to allocate more of the investment to Velocity and its affiliated persons. It is Velocity's policy to allocate investment opportunities first to Clients unless Velocity is contractually obligated to participate. In such cases, Velocity will only participate once Clients have their appropriate allocation, except in the case where pursuant to an IMA, Velocity is obligated to make co-investments in the same investment opportunities as its Client.

Although Velocity expects to devote a substantial amount of time and effort to the business and affairs of each Client, it will also devote some amount of its working time and effort to other activities, which may include generating new business. These other activities could require substantial commitments of time and resources by Velocity. Velocity will provide a copy of the Code to any Client or prospective Client upon request using the contact information on the cover page.

Item 12 Brokerage Practices

Velocity negotiates its financing solutions directly with the alternative asset manager on behalf of its Clients and does not effect securities transactions through financial intermediaries. If more than one Client participates in the same financing solution, all Clients generally participate with the same terms. In addition, Velocity does not compensate any party for locating alternative asset managers seeking financing solutions. Velocity does not participate in soft-dollar arrangements.

Item 13 Review of Accounts

Velocity provides continuous review of Client investments. As part of its ongoing review process, Velocity regularly reviews the reporting provided by a Borrower pursuant to the contractual obligations of the financing solution.

Item 14 Client Referrals and Other Compensation

Velocity does not compensate any parties for referring Clients.

Item 15 Custody

Rule 206(4)-2, promulgated under the Advisers Act, (the “Custody Rule”) imposes specific conditions on investment advisers who have actual or deemed custody of Client assets. It is the policy of Velocity to not have custody of client funds and ensure that Clients provide funding directly to the Borrower and that Borrowers provide any type of payment directly to the Client, except in cases where Velocity acts as administrative agent for certain client loans and is deemed to have custody of client funds, in which case, Velocity will adhere to the provisions of the no-action letter issued by the US Securities and Exchange Commission to Madison Capital Funding LLC on December 20, 2018. In such cases, Velocity will have custody for a matter of a few days as funds are processed through a commingled, agency account holding client and third party funds maintained by Velocity for the sole purpose of facilitating administrative agent transactions. As of December 31, 2023, Velocity did not have custody of any client funds. In the event that a Client or Borrower inadvertently sends to Velocity a payment, it will be held in a separate account and transferred out of that account within 3 business days.

Item 16 Investment Discretion

Although Velocity does not currently advise any assets on a discretionary basis, it is anticipated that Velocity will provide advice on a discretionary basis. In such cases, Velocity’s advice will subject to the investment objectives, policies and restrictions set forth in each Client’s IMA.

Item 17 Voting Client Securities

Velocity’s strategies generally do not give rise to proxy voting; however, it may happen, and in certain circumstances, Velocity may be required to approve changes to governance items related to underlying investments whereby the consent of Velocity’s Clients is required. Velocity recognizes that it must vote Client interests in a timely manner in the best interest of its Clients. Accordingly,

Velocity has adopted proxy voting policies and procedures for voting proxies that are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act. In such cases, Velocity has adopted a proxy voting policy in which it seeks (i) to address conflicts of interest between Velocity and its Clients, and (ii) to vote proxies in the best interests of its Clients.

Clients may obtain, without charge, information about how Velocity voted proxies and may obtain a copy of the Velocity proxy voting policies and procedures by making a written request using the contact information on the cover page.

Item 18 Financial Information

Velocity has not been the subject of a bankruptcy petition at any time during the past ten years.