

ITEM 1. COVER PAGE

**ORIGIN CREDIT ADVISERS, LLC  
DISCLOSURE BROCHURE  
(FORM ADV PART 2A)**

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This disclosure brochure ("Brochure") provides information about the qualifications and business practices of Origin Credit Advisers, LLC ("OCA"). If you have any questions about the contents of this Brochure, please contact us at **303.256.6497** or at **InvestorRelationsMCF@OriginCreditAdvisers.com**. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about OCA also is available on the SEC's website at

**[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## ITEM 2. MATERIAL CHANGES

This Item of the Brochure discusses only material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes.

- On August 31, 2023, investment vehicles affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”) and Stone Point Capital LLC (“Stone Point”) indirectly acquired Focus Financial Partners Inc. (“Focus Inc.”). This transaction resulted in investment vehicles affiliated with CD&R collectively becoming majority owners of Focus Financial Partners, LLC (“Focus LLC”) and investment vehicles affiliated with Stone Point collectively becoming owners of Focus LLC. Because OCA is an indirect, wholly-owned subsidiary of Focus LLC, the CD&R and Stone Point investment vehicles are indirect owners of OCA. Items 4 and 10 have been revised to reflect this new ownership structure.
- In March 2024, the following material changes were made to this brochure:
  - Items 5 and 6 were updated to clarify the fees associated with Origin SCF.
  - Information related to conference sponsorships was updated in Item 14.

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#### ITEM 4. OCA ADVISORY BUSINESS

Origin Credit Advisers, LLC (“OCA”, “we,” or “us”) provides discretionary investment advisory services to privately offered pooled investment vehicles which invest in real estate securities and which may in the future invest in real estate. OCA does not provide investment advice to individual natural person clients. OCA is a wholly owned subsidiary of Origin Investments Group, LLC, a Delaware limited liability company, which operates as “Origin Investments.” Origin Investments purchased the assets of a real estate investment management company founded in 2007 by principals David Scherer and Michael Episcopo. As part of this transaction, the assets of Origin MCF Investco, LLC (the “Previous Adviser”), were acquired for OCA to manage. OCA is based in Denver, Colorado and Origin Investments is based in Chicago, Illinois.

OCA serves as the adviser to Origin Multifamily Credit Fund, LLC (“Origin MCF”), Origin MCF Parallel Fund (the “Parallel Fund” and together with Origin MCF, the “MCF Funds”), Origin Strategic Credit Fund, LLC (“Origin SCF”), and Origin Strategic Credit Parallel Fund, LLC (“SCF Parallel” and together with Origin SCF, the “SCF Funds,” and collectively with the MCF Funds, the “Funds”). The Parallel Fund and SCF Parallel were formed to accommodate certain investors who wished to invest in Origin MCF or Origin SCF, respectively, but did not want to utilize a REIT blocker. The Parallel Fund is invested pari passu with Origin MCF. SCF Parallel invests in real estate securities and debt pari passu with Origin SCF; however SCF Parallel will not invest alongside the SCF Fund to the extent Origin SCF invests directly in real estate. The MCF Funds have approximately \$250 million in discretionary regulatory assets under management as of December 31, 2023. The SCF Funds have approximately \$117 million in discretionary regulatory assets under management as of December 31, 2023. The Funds are presently OCA’s only clients.

OCA is responsible for identifying investment opportunities for clients and facilitating the acquisition, monitoring, and disposal of each of the Fund’s investments. OCA’s portfolio management team, led by Thomas Briney, is separate from the portfolio management team at Origin Investments, although OCA does consult with investment personnel at Origin Investments on investment matters at OCA and vice versa. OCA’s private fund clients are structured in a variety of ways, including as parallel funds and/or master-feeder structures. In addition, the funds may use subsidiaries to make investments, including subsidiaries structured as real estate investment trusts (“REITs”). Parallel funds generally invest in assets side-by-side based upon capital commitments. Parallel funds are generally established to accommodate specific compliance, legal, regulatory, tax or other needs of certain investors and may be organized in a variety of jurisdictions. In addition, OCA may consider the formation of funds or other structures including but not limited to separate accounts.

The MCF Funds’ primary investment objective is to generate current income and capital appreciation; the SCF Funds’ primary investment objective is to generate current income and preserve capital across various market cycles, with a secondary objective of capital appreciation. The Funds pursue these objectives predominantly through B-Piece Certificates and Interest-Only Strips. B-Piece Certificates generally represent the most subordinated 10% in principal amount of “K-Certificates” issued by real estate mortgage investment conduit securitizations of pools of Federal Home Loan Mortgage Corporation™ (“Freddie Mac” or “FM”) multifamily mortgage loans, in what are commonly known as “K-Deals.” The Funds also tangentially invests in Multifamily Structured Credit Risk Notes (“MSCR Notes”) which are unguaranteed securities designed to transfer to investors a portion of the credit risk associated with eligible multifamily mortgages. The Fund invest in both the B-1 and M-2 tranches of MSCR Notes. The SCF Funds may also originate and acquire mortgages on real property and take preferred equity positions in real estate owning entities. The Funds use leverage, either directly or indirectly through their respective subsidiaries, and will incur indebtedness in seeking its targeted returns and to otherwise finance their respective operations.

OCA expects that any additional clients it will serve in the future will be private funds or separate accounts with a similar, or in some cases, a broader investment strategy as the Funds. OCA does not manage assets for clients on a non-discretionary basis. OCA provides investment advice to each client in accordance with the organizational documents of such client. Investment advice is provided directly to the private fund clients and not to the investors (i.e., the limited partners or members) of such private fund clients. OCA’s private fund clients are exempt from registration under the Investment Company Act of 1940, as amended. In addition, each Fund’s securities offerings are exempt from registration under the Securities Act of 1933, as amended.

Origin Investments and its affiliates also manage privately-offered pooled investment vehicles. These vehicles generally hold real estate assets and generally do not significantly invest in securities. Origin Investments and its subsidiaries other than OCA are not subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

OCA is managed by Thomas Briney, Michael Episcopo, and David Scherer (“OHC Partners”) pursuant to a management agreement (the “OHC Management Agreement”) among OHC Management, L.P. (“OHC”), the OHC Partners and KIG Management Group, LLC (“KIGMG”). The OHC Partners serve as key personnel of OCA and are responsible for the management, supervision and oversight of OCA. KIGMG entered into the OHC Management Agreement in furtherance of a separate management agreement among KIGMG, the Principals of KIGMG, Focus LLC, Kovitz Investment Group Partners, LLC, OCA and certain other parties. Pursuant to the OHC Management Agreement, certain decisions relating to the ongoing management and operation of OCA will be subject to KIGMG’s approval, including significant expenditures and other budgetary matters. OCA does not believe that KIGMG’s approval rights for such matters will materially affect the day-to-day advisory relationship between OCA and its clients.

OCA is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, OCA is a wholly-owned subsidiary of Origin Investments Group, LLC, which is a wholly-owned indirect subsidiary of Focus LLC. Ferdinand FFP Acquisition, LLC is the sole managing member of Focus LLC. Ultimate governance of Focus LLC is conducted through the board of directors at Ferdinand FFP Ultimate Holdings, LP. Focus LLC is majority-owned, indirectly and collectively, by investment vehicles affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”). Investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) are indirect owners of Focus LLC. Because OCA is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of OCA.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

## ITEM 5. FEES AND COMPENSATION

We charge the Funds an annual investment management fee (payable quarterly in advance, in the case of the MCF Funds and payable monthly in arrears in the case of the SCF Funds) and assess, as described in Item 6, a performance allocation.

The MCF Funds have four different management fee levels that range from 0.85% to 1.35% depending on the class of units. Until September 30, 2024, the applicable management fee is charged against aggregate commitments to the MCF Fund by members of each class. Beginning October 1, 2024, the management fee for the MCF Funds will be charged against the aggregate capital contributions made by the members of each class with respect to all investments owned by those funds as of such quarterly dates that have not been realized or written off; provided, however, in no event shall the management fee for a class equal less than 0.75% of the total commitments for such class.

The monthly management fee for Origin SCF is an amount equal to one-twelfth (1/12) the product of 1.25% multiplied by fund’s net asset value calculated as of the last business day of the prior month. The monthly management fee for SCF Parallel is an amount equal to one-twelfth (1/12) the product of 0.60% multiplied by the fund’s net asset value calculated as of the last business day of the prior month; provided, however, that in the event the aggregate capital contributions to the fund are less than \$50 million as of January 1, 2025, the monthly fee will be calculated at an annual rate of 1.25% of the net asset value of the fund.

The performance allocations for the Funds are generally paid to separate entities owned by, respectively, the OHC Principals, the KIGMG Principals, and Focus LLC.

Our Funds' fees are negotiable, depending on the aggregate size or nature of a relationship, including for large individual or institutional fund investors, clients, related persons or other types of "platform" relationships. For example, we have side letters with certain investors concerning economic terms of the Origin MCF. Additionally, OCA waives or rebates the fees for employees of Origin Investments and their family members.

We deduct our management fees and performance allocations directly from our private fund client investors' capital accounts.

The fees we charge to our funds are in addition to any third-party brokerage commissions, custodial fees, transaction fees, and other related costs and expenses incurred by the funds. The funds are also subject to administrative, tax preparation, consulting, legal, audit, and any other types of professional expenses. In addition, the funds will reimburse OCA and its affiliates for certain expenses, or portions of expenses, that are paid by OCA as described herein. Please also refer to each fund's offering materials for more information.

#### FUND EXPENSES

Consistent with the organizational documents of each Fund, each Fund shall pay or reimburse us or an affiliate thereof, or any of our respective officers, directors, employees, members, partners, shareholders, agents or trustees, for all costs, fees and expenses incurred by or on behalf of the such fund or such fund's subsidiary REIT(s), if applicable, in connection with their management and operation, including but not limited to: (a) all costs, fees and expenses incurred by us related to the investigation, purchase, financing, refinancing, managing, sale, preservation or retention of assets by the fund or the REIT, if applicable, (including all fees, research expenses, travel costs, placement fees, all fees and expenses relating to the sale of such assets and all transfer taxes); (b) all federal, state and local taxes (and similar amounts) and filing fees payable by the fund or the REIT, if applicable, (but not including taxes and similar amounts attributable to particular Members); (c) all costs, fees and expenses relating to the preparation and mailing of financial, tax and performance reports, including the allocable share of the costs, fees and expenses relating to internal financial, tax and report preparation functions; (d) all costs, fees, expenses and disbursements relating to the legal, accounting, asset acquisition and investor relations services, including the allocable share of the costs, fees, expenses and disbursements relating to our consultants and internal legal, accounting, asset acquisition, and investor relations functions; (e) all filing and recording fees; (f) all interest expenses of the fund or the REIT, if applicable; (g) any indemnification expenses of the fund or the REIT, if applicable; (h) insurance and litigation expenses and broken deal expenses, (i) expenses associated with periodic reports required to be delivered pursuant to the governing documents, and any other information provided to the investors, (j) management fees, (k) organizational expenses, any (l) other fees or expenses of us, the fund, the REIT, if applicable, or their affiliates which are reasonably incurred in connection with the operation of business and maintenance of the fund or the REIT, if applicable, including Affiliated Services (as defined below).

We expect that future private fund clients that we advise in the future will bear similar expenses as described above.

#### AFFILIATED SERVICES (*In-House Professionals*)

OCA may, from time to time, retain certain of its affiliates to provide services relating to a client's operations that would otherwise have been outsourced to a third party for a fee. In such cases, clients will compensate OCA and/or its affiliates for such services which may include accounting services, account management services, finance/budget services, legal services, tax services, treasury services, loan management services, development and construction management services, property management services, leasing services, (such services, collectively, "Affiliate Services"). Any fees paid for such Affiliate Services will not reduce the management fee and such fees shall constitute a client expense. Any Affiliate Services will be provided on a time-incurred basis or project basis, consistent with market practice and at market rates.

#### REAL PROPERTY RELATED FEES

The SCF Funds, future funds and other clients of OCA may invest in real property. In connection with such investments, various fees are typically payable to OCA and/or its affiliates when they are retained to provide services in connection with the acquisition, management, financing, refinancing and sale of such real estate properties and investments. For example, in connection with the origination of a mortgage loan, OCA or one of its affiliates shall be entitled to receive from the borrower of such loan an origination fee. The fee is generally payable based on a percentage of the loan amount. Such fees are in addition to the management fee and incentive allocation payable by the Funds.

There may be additional fees paid in connection with a Fund's investments in real property, particularly in development projects in which third parties may assess their own fees and charges.

#### ALLOCATION OF EXPENSES AND INVESTMENT OPPORTUNITIES

From time-to-time OCA will be required to decide whether certain fees, costs and expenses should be borne by a client, on the one hand, or OCA or its affiliates on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among clients and/or other parties. Certain fees, costs and expenses may be the obligation of one particular client and may be borne by such client or, fees costs and expenses may be allocated among multiple clients and entities. In exercising its discretion to allocate investment opportunities and fees and expenses among clients with differing fee, expense and compensation structures, OCA has an incentive to allocate investment opportunities to the clients from which OCA or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to inherent biases in the process.

To the extent not allocated to an investment, OCA will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated and not consummated between clients in accordance with each client's governing documents or, to the extent not addressed in such governing documents, generally, pro rata based on the commitments to a particular investment. The portion of an expense allocated to a client for a particular service may not reflect the relative benefit derived by such client from that service in any particular instance and a client will bear more or less of a particular expense based on the methodology used. OCA will also be incentivized to allocate expenses to the clients as opposed to OCA, and to decrease the level or quality of third-party services provided to the clients to the extent such services are paid for by OCA.

#### ITEM 6. PERFORMANCE- BASED FEES/SIDE-BY-SIDE MANAGEMENT

As described above, we charge quarterly investment management fees for providing investment management services to the MCF Funds and we charge monthly investment management fees for providing investment management services to the SCF Funds.

We will also assess a performance allocation to the MCF Funds equivalent to 10% of all MCF Funds distributions after Members of the MCF Funds have received cumulative distribution equal to all of their contributed capital, plus a 7% preferred return. We will also assess a performance allocation to Origin SCF equal to 10% of the SCF Fund's annual total return, subject to a 7% hurdle amount and a 50-50 catch-up, and a performance allocation to the SCF Parallel Fund equal to 9% of the SCF Parallel Fund's annual total return, subject to a 6% hurdle amount and a 50-50 catch-up.

We expect to charge similar performance-based fees to our future private funds and separate account clients.

A performance allocation such as that assessed to the MCF Funds and The SCF Funds creates a conflict of interest that OCA and its employees have an incentive to make investments that are riskier or more speculative than we would if we did not charge performance fees. Also, this creates an incentive to over-value investments that do not have readily available market values.

Please also see Item 11 regarding allocation for additional information relating to how conflicts of interests are generally addressed by OCA.

## ITEM 7. TYPES OF CLIENTS

We provide investment management services to the Funds and anticipate providing services to additional private funds or separate accounts. The minimum subscription per investor in the Funds is \$100,000, although we have the discretion to accept a subscription for a lesser amount. The minimum initial investment for a separate account client is \$5 million, although we have the discretion to accept a subscription for a lesser amount.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

Investing in securities involves the risk of loss, such losses may be permanent, and clients and their underlying investors should be prepared to bear that risk and to tolerate such losses. The following is not a complete list of all relevant risks associated with our investment strategies. Clients and current and prospective investors should carefully review the risks included in the governing documents for such client and should also consult with their legal, tax and investment advisors before determining to make any investment.

The following discussion of risks is limited to our investment strategy, methods of analysis, and risks relating to the Funds' current investment strategy. This is the strategy and the type of securities that we believe are the most relevant in our relationship with the Funds and prospective clients we might advise in the future.

### The MCF Funds

The MCF Funds' primary investment strategy is to generate current income and capital appreciation predominantly through B-Piece Certificates and Interest-Only Strips. B-Piece Certificates generally represent the most subordinated 10% in principal amount of certificates issued by real estate mortgage investment conduit securitizations of pools of Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FM") multifamily mortgage loans (the "Investments"), commonly known as "K-Deals." Interest-Only Strips consist of interest-only tranches of Freddie Mac K-Deal certificates. In connection with the MCF Fund's investment in K-Deals, the MCF Fund may elect, in its sole discretion, to purchase loans underlying the B-Piece Certificate with respect to a securitization pool to the extent such loans are non-performing, for the sole purpose of restructuring or otherwise working out the loan.

K-Deals are Freddie Mac's multi-family approach to securitizing mortgage loans backed by multifamily apartment properties nationwide. The K-Deals enable Freddie Mac to help keep rental housing affordable, while attracting private capital to the market and minimizing U.S. taxpayers' exposure to credit risk. K-Deals are considered commercial mortgage-backed securities ("CMBS"). Multi-family rental housing is considered commercial – rather than residential – real estate because these properties are developed and purchased for investment only. The property developers/owners (borrowers) are businesses. Freddie Mac securitizes multi-family loans through a certificate structure. More information on the structure can be found at <https://mf.freddiemac.com/investors/k-deals>.

The tranche of K-Deals invested in by the MCF Fund are known as B-Piece and Interest-Only Certificates. The B-Piece Certificate is the controlling class within the structure but is the most subordinated and unrated tranche of debt. The B-Piece Certificates offer the potential for the highest total return but also bear the most risk in the structure as the investment sits in a first loss position. For certain B-Piece Certificates, investors may receive interest every month until the certificates are paid off and receive principal concurrently with investors in the senior certificates. For other B-Piece Certificates structured as zero-coupon bonds, there is no interest payable until maturity, and investors receive principal only after investors in the senior certificates have been entirely paid off. Interest-Only Certificates reflect the difference between the interest rate on the loan and the coupon rate on each certificate class. For Interest-Only Certificates, investors only receive interest payments and never receive principal. Interest-Only Certificates are unrated.

In order to participate in the exclusive offering of the B-Piece Certificates, a buyer (like OCA) must be pre-approved by Freddie Mac as a Directing Certificate Holder (“DCH”), which requires extensive qualifications. These include extensive experience in owning and operating multifamily properties, a history of relevant experience as a fixed income investor, history and relevant experience as a subordinated debt investor and a reputation of acting as patient, recurring capital, among other strict qualifications. On top of this, due diligence is extensive.

The MCF Funds also tangentially invest in Multifamily Structured Credit Risk Notes (“MSCR Notes”) which are unguaranteed securities designed to transfer to investors a portion of the credit risk associated with eligible multifamily mortgages. MSCR Notes are also considered CMBS. The tranche of MSCR Notes invested in by the MCF Fund are the B-1 and M-2 tranches. The B-1 tranche is the most subordinated tranche of debt available to investors and bears the second highest risk in the structure as the investment sits in a second loss position. The M-2 tranche bears the third highest risk in the structure as the investment sits in a third loss position. More information on the structure can be found at <https://mf.freddiemac.com/investors/structured-credit-risk>.

The MCF Funds use leverage in an effort to enhance the funds’ income and return. Other clients may also employ leverage for similar reasons. Leverage magnifies portfolio performance whether positive or negative. The MCF Funds borrow capital at short-term rates, then uses the proceeds to make additional investments in its portfolio. The primary costs of leverage are ongoing interest expense. The strategy is successful when, after considering the costs, investors obtain a higher total return than they would have without leverage. While leverage increases the return potential, it also increases the volatility of the MCF Funds’ returns.

#### The SCF Funds

The SCF Funds’ primary investment strategy is to generate current income, with a secondary objective of capital appreciation. The SCF Funds invest in a variety of income producing real estate debt securities and real estate related equity interest, including:

B-Piece Certificates and Interest-Only Strips. (See the description of the “Investments” above). The SCF Funds may, in connection with their investment in K-Deals, elect to purchase loans underlying the B-Piece Certificate with respect to a securitization pool to the extent such loans are non-performing, for the sole purpose of restructuring or otherwise working out the loan.

Multifamily Structured Credit Risk Notes. (See “MSCR Notes” above).

Other real estate related securities. The SCF Funds may invest in non-agency commercial mortgage-backed securities and tranches of commercial real estate collateralized loan obligations and single-asset single-borrower collateralized loan obligations.

Commercial whole loans, mezzanine loans and preferred equity. The SCF Funds may invest in first-lien whole loans, mezzanine debt and other forms of direct lending. Origin SCF may invest in preferred equity in real estate-owning limited liability companies or partnerships.

The SCF Funds use leverage in an effort to enhance the funds’ income and return. Other clients may also employ leverage for similar reasons. Leverage magnifies portfolio performance whether positive or negative. The SCF Funds borrow capital at short-term rates, then uses the proceeds to make additional investments in their portfolios. The primary costs of leverage are ongoing interest expense. The strategy is successful when, after considering the costs, investors obtain a higher total return than they would have without leverage. While leverage increases the return potential, it also increases the volatility of the The SCF Funds’ returns.

**General Investment Risks:** In addition to the risk of loss mentioned above, there can be no assurance that (i) a client’s objective will be achieved; (ii) OCA will be able to choose, make or realize investments on behalf of a client; (iii) the client will be able to generate returns or that the returns will be commensurate with the risks of an investment in the client; or (iv) that clients and investors will receive any distributions.

**General Real Estate Risks:** Our clients' acquisitions are subject to risks typical to real estate investments including: changes in national, regional or local economic, demographic or real estate market conditions; the ultimate valuation of real estate serving as collateral, whether determined at foreclosure or otherwise; bankruptcies or financial difficulties by borrowers; changes in interest rates and availability of financing; changes in government rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws; and exposure to non-recourse carve-out guaranty obligations.

**Credit Risk and Interest Risk:** The B-Piece Certificates, Interest-Only Strips and MSCR Notes acquired by a client are subject to credit risk and interest rate risk. "Credit risk" refers to the likelihood that the borrower on the underlying loan will default in the payment of principal and/or interest thereon. Financial strength and solvency of a borrower, property level performance and general market conditions are the primary factors influencing credit risk. In addition, inadequacy of collateral on the underlying loan may affect its credit risk. Credit risk may change over the life of a loan or security. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a loan or other debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of loans whose rates are floating). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or pre-payment schedules. Although floating rate instruments are less sensitive to interest rate risk than fixed-rate securities, floating rate instruments are subject to credit risk and default.

**Limited Source of Repayment:** The source of repayment on the B-Piece Certificates, Interest-Only Strips and MSCR Notes will be limited to payments and other collections on the underlying mortgage loans. The B-Piece Certificates, Interest-Only Strips and MSCR Notes will represent interests solely in the issuing entity. The primary assets of the issuing entity will be a segregated pool of multifamily mortgage loans. Accordingly, repayment of the B-Piece Certificates, Interest-Only Strips and MSCR Notes will be limited to payments and other collections on the underlying mortgage loans. The underlying mortgage loans will not be an obligation of, or be insured or guaranteed by: any governmental entity; any private mortgage insurer; the depositor; Freddie Mac; the master servicer; the special servicer; any sub-servicer of the master servicer or the special servicer; the trustee; the certificate administrator; the custodian; or any of their respective affiliates.

**Lender Liability and Equitable Subordination:** Investing in B-Piece Certificates, Interest Only Strips and MSCR Notes creates risks associated with lender liability and equitable subordination. A number of judicial decisions have upheld judgments of obligors against lenders on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the obligor or has assumed an excessive degree of control over the obligor resulting in the creation of a fiduciary duty owed to the obligor or its other creditors or shareholders. Because of the nature of the loans collateralizing the securities held by a client, and the fact that such client through its ownership of the B-Piece Certificates is the controlling class (i.e., the party who can direct a special servicer in a loan default scenario) such client may be subject to allegations of lender liability.

**Default/Foreclosure Risk:** Although we expect our clients to invest mainly in B-Piece Certificates and Interest-Only Strips, and tangentially in MSCR Notes, our clients may be exposed to losses resulting from default and foreclosure of the underlying loans or interests in loans. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of our client's investments. No guarantee can be made regarding the adequacy of the protection of a client's security in the loans or other debt instruments in which it invests. Moreover, in the event of foreclosure, a client may assume direct ownership of any assets collateralizing such foreclosed mortgage loans. The liquidation proceeds upon the sale of such assets may not satisfy the entire outstanding balance of principal and interest on such foreclosed loans, resulting in a loss to the client. This is especially the case if the borrower with respect to a specific multifamily project has been provided mezzanine debt. Any costs or delays involved in the effectuation of loan foreclosures or liquidation of the assets collateralizing such foreclosed mortgage loans will further reduce proceeds associated therewith and consequently, increase possible losses to a client. In addition, no assurances can be made that borrowers or third parties will not

assert claims in connection with foreclosure proceedings or otherwise, or that such claims will not interfere with the enforcement of a client's rights.

**Exit Strategy:** Our clients' B-Piece Certificates, Interest-Only Strips and MSCR Notes exit strategies depend on the ability to sell these investments on the open market before such fund's term expires. The B-Piece Certificates purchased by a client may be backed by 10-year fixed rate loans with declining schedule/yield maintenance prepayment penalties for repayment prior to the 10 years. MSCR Notes may be backed by multiple types of loans that have similar repayment characteristics. Consequently, if a client cannot sell the B-Piece Certificates, Interest-Only Strips or MSCR Notes in the open market before the end of the term of the applicable client's term, such client may not be able to achieve its investment objectives because it may need to sell these investments at an additional discount or the client may need to extend its term through an amendment of its governing documents, which may be difficult to achieve.

**CMBS Risks:** Our investment strategy includes significant investments in CMBS, whether directly or through B-Piece Certificates, Interest-Only Strips (i.e., K-Deals) and tangentially, MSCR Notes. In October 2014, the SEC, the U.S. Federal Reserve, the U.S. Treasury and other governmental authorities jointly adopted rules that generally require the securitizer of asset-backed securities to retain not less than 5% of the credit risk of the assets collateralizing the asset-backed securities (the "credit risk retention requirement") beginning December 24, 2016 for CMBS and other types of securitizations. The credit risk retention requirement generally requires at least one of the sponsors (or any of their majority-owned affiliates) in a securitization to retain a minimum economic interest in the pool for a minimum holding period (generally five years after closing the securitization for CMBS or two years after closing the securitization for other types of securitizations). The credit risk retention requirement can be satisfied by retaining at least a 5% "eligible vertical interest" (i.e., at least a 5% interest in the cash flows of each tranche or class of securities in the issuing entity), at least a 5% "eligible horizontal residual interest" (i.e., a tranche investment equal to at least 5% of the fair value of all tranches or classes of securities in the issuing entity) or a combination of an "eligible vertical interest" and an "eligible horizontal residual interest" that totals at least 5%.

For CMBS transactions, the rules allow the credit risk retention requirement to be satisfied by a third-party investor in the B-Piece Certificates (such as our clients) if certain conditions are met. We expect that CMBS sponsors will seek to satisfy some or all of their 5% credit risk retention requirement with third-party B-Piece Certificates investors (such as our private fund clients) buying and holding the B-Piece Certificates. Practices may develop in the securitization markets that require our clients to invest more capital in individual CMBS transactions and in more senior portions of the capital structure than may be desired. Also, the minimum holding period requirement may require that our private fund clients hold their respective B-Piece Certificates for longer periods than desired. Any of the foregoing requirements may materially adversely affect a client's investment strategy and returns.

It is possible that over time, the credit risk retention requirements may affect the commercial real estate markets generally, including by reducing the amount of credit for commercial real estate transactions historically provided by CMBS. A contraction or reduced liquidity in the commercial real estate market could reduce opportunities for a CMBS Issuer to sell defaulted mortgage loans or real estate owned, which in turn could negatively impact the return on the CMBS and reduce the market value or liquidity of such CMBS. Any of these could have a material adverse effect on a client.

**Subordination Risk:** Our clients may invest in tranches of the B-Piece Certificates or in MSCR Notes that are subordinate in right of payment and rank junior to other securities issued by the CMBS which represent an ownership in or are secured by the same underlying mortgage loans. Although CMBS generally have the benefit of first ranking security (or other exclusive priority rights) over any collateral of the CMBS ("Collateral"), the timing and manner of the disposition of such Collateral will be controlled by the related servicers, and in certain cases, may be controlled by or subject to consultation rights of holders of more senior classes of securities outstanding or by an operating advisor appointed to protect the interests of such senior classes. There can be no assurance that the proceeds of any sale of Collateral or other realization on Collateral will be adequate to repay a client's investment in full, or at all after the repayment of senior securities in the CMBS. In addition, junior tranches of B-Piece Certificates generally receive interest distributions only after the interest distributions then due to more senior classes have been paid. As

a result, investors in junior tranches of B-Piece Certificates will generally bear the effects of losses and shortfalls on the underlying commercial mortgage loans and unreimbursed expenses of the securitization vehicle before the holders of other classes of CMBS with a higher payment priority, with the concomitant potential for a higher risk of loss for such investments in B-Piece Certificates. In addition, the prioritization of payments of principal to senior classes may cause the repayment of principal of lower tranches of B-Piece Certificates to be delayed and/or reduced. Generally, all principal payments received on the mortgage loans will be first allocated to more senior classes of CMBS, in each case, until their respective principal balances are reduced to zero, before principal is allocated to the junior tranches. Therefore, junior tranche investments in B-Piece Certificates may not receive any principal for a substantial period of time. In addition, generally junior tranches of B-Piece Certificates will be subject to the allocation of "appraisal reductions" which will restrict their ability to receive any advances of interest that might otherwise be made by the related servicer.

Generally, a shortfall in payment to investors in junior tranches of B-Piece Certificates will not result in a default being declared or the restructuring or unwinding of the transaction. To the extent that certain junior tranches of B-Piece Certificates represent a small percentage of the CMBS issued in relation to the underlying Collateral, a small loss in the value of such Collateral may result in a substantial loss for the holders of such junior tranche and may impact the performance of a client.

**Exposure to Underlying Mortgage Loans:** CMBS and other pools of commercial mortgage loans, or, in limited circumstances, the mortgage loans themselves, in which a client may invest are subject to all of the risks of the respective underlying or direct commercial mortgage loans. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than lending which is secured by single-family residences, in part because it typically involves making larger loans to a single borrower or groups of related borrowers. In addition, unlike loans which are secured by single-family residences, repayment of loans secured by commercial properties often depends upon the ability of the related real estate project to (i) generate income sufficient to pay debt service, operating expenses and leasing commissions and to make necessary repairs, tenant improvements and capital improvements, and (ii) in the case of commercial loans that do not fully amortize over their terms, retain sufficient value to permit the borrower to pay off the loan at maturity through a sale or refinancing of the mortgaged property.

The ability of borrowers to repay commercial mortgage loans typically depends upon the successful operation and/or, if applicable, construction or rehabilitation, of the related real estate project and the availability of financing. Any factor which affects the ability of the project to generate sufficient cash flow could have a material adverse effect on the value of such loans. These factors include: (i) the uncertainty of cash flow to meet fixed obligations; (ii) adverse changes in general and local economic conditions, including interest rates and other local market conditions; (iii) tenant credit risks; (iv) the unavailability of financing, which may make the operation, sale or refinancing of a property difficult or unattractive; (v) vacancy and occupancy rates; (vi) fluctuation of construction and operating costs; (vii) regulatory requirements, including zoning and rent control; (viii) environmental concerns; (ix) project and borrower diversification; (x) vandalism (with attendant security costs); (xi) uninsured losses; (xii) restrictions and compliance costs imposed by the Americans with Disabilities Act, the Fair Housing Act, as amended, and similar laws; (xiii) general non-recourse status; and (xiv) real and personal property tax laws, rates and assessments. In addition, commercial properties often involve a single user or tenant or relatively few tenants. Commercial property specifications may be tailored to the requirements of particular users or tenants and, accordingly, it may be difficult, costly and time consuming to liquidate such properties or attract new tenants.

Some mortgaged properties securing commercial mortgage loans may not be readily convertible (or convertible at all) to alternative uses if those properties were to become unprofitable for any reason. For example, a mortgaged property may not be readily convertible (or convertible at all) due to restrictive covenants related to such mortgaged property including, in the case of mortgaged properties that are part of a condominium regime, the use and other restrictions imposed by the condominium declaration and other related documents, especially in a situation where a mortgaged property does not represent the entire condominium regime. In addition, mortgaged properties that have been designated as historic sites may be difficult to convert to alternative uses and may also require certain governmental approvals to make alterations or modifications to the related mortgaged property. Further, converting commercial properties to alternate uses generally requires substantial capital expenditures. The liquidation value of

any mortgaged property, subject to limitations of the kind described above or other limitations on convertibility of use, may be substantially less than would be the case if the property were readily adaptable to other uses.

**Exposure to Delinquent Loans:** With respect to CMBS or direct interests in mortgage loans purchased in the secondary market, certain of the underlying mortgage loans may include mortgage loans that are either currently delinquent or have been delinquent in the past. Mortgage loans with a history of delinquencies are more likely to experience delinquencies in the future, even if these mortgage loans are current at the time the related CMBS is purchased. In addition, certain of the mortgaged properties, the related borrowers, or their affiliates, may have been previously involved with loan defaults or restructurings or bankruptcy proceedings.

**Leverage:** Our clients, including the Fund, use leverage to finance investments and for other purposes. The use of leverage involves a high degree of financial risk and may substantially increase the risk of loss of principal. Borrowings by a client have the potential to enhance overall returns that exceed the client's cost of funds; however, borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than the client's cost of funds, including additional expenses. Accordingly, any event that adversely affects the value of an investment by a client may be magnified to the extent that client's investment is leveraged. Disruptions in the capital and credit markets could adversely affect a client's ability to utilize leverage and draw on credit facilities when needed or, as may be required, to re-finance existing credit facilities. A client's access to funds under any such facilities is dependent on the ability of the banks that are parties to the facilities to meet their funding commitments.

**Risks of Repurchase Agreements and Reverse Repurchase Agreements:** The Funds utilizes reverse repurchase agreements to facilitate borrowings. In the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the client or, in the case of a reverse repurchase agreement, the securities sold by the client, may be delayed. In a repurchase agreement, such insolvency may result in a loss to the extent that the value of the purchased securities decreases during the delay or that value has otherwise not been maintained at an amount equal to the repurchase price. In a reverse repurchase agreement, the counterparty's insolvency may result in a loss equal to the amount by which the value of the securities sold by the client exceeds the repurchase price payable by the client; if the value of the purchased securities increases during such a delay, that loss may also be increased. When a client enters into a reverse repurchase agreement, any fluctuations in the market value of either the securities sold to the counterparty or the securities which a client purchases with its proceeds from the agreement would affect the value of the client's assets. As a result, such agreements may increase fluctuations in the net asset value of the client. Because reverse repurchase agreements may be considered to be a form of borrowing (and a loan from the counterparty), they constitute leverage. If a client reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement will lower the client's yield.

**Valuation Risks:** Valuation risks exist with respect to our clients' investments. Certain of the securities or assets our clients will purchase or originate will not be actively traded. In the absence of market comparisons, we will be required to resort to other pricing methodologies, including, for example, models based on assumptions regarding expected trends, historical trends following market conditions believed to be comparable to the then current market conditions and other factors believed at the time to be likely to influence the potential resale price of an investment. Such methodologies may not prove to be accurate and our inability to accurately price securities or assets may adversely affect the return on our private fund clients' investments.

CMBS are inherently complex instruments. Many, including some in which a client may invest, represent rights to payment based on complex combinations of (i) direct ownership of mortgage pools, and fractional ownership of other CMBS (resulting in ownership of pools of pools), (ii) receipts of interest payments from those pools and pools of pools, (iii) the interest rates on the underlying assets, (iv) in some cases (e.g., "floaters" and "inverse floaters"), changes in specified interest rate indexes, and (v) prepayment activity. The complexity of the relevant factors make it extremely difficult to assess the prospects for payment of interest and principal, or the amounts of principal and interest that will be paid, and hence whether or not purchasing at a particular price will generate a favorable return or a loss. CMBS are not listed on an exchange and all trading is a negotiated process between buyer and seller. Because of the inherent lack of price transparency, it may be difficult for us to be confident that we have obtained

the best execution price for our clients or that the prices used in valuing the portfolio on an ongoing basis are accurate. There can be no assurance that our assessment of the values of CMBS in which our clients invest will be accurate or generate positive returns for our clients.

Our clients may hold CMBS that are not quoted on active markets such as over-the-counter derivatives. Fair values of such CMBS may be determined using industry standard models. Models use observable data to the extent practicable. However, areas such as credit risk, volatilities and correlation may require us to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments and the differences could be material. The values assigned to these CMBS will be based on the best available information, but because of the uncertainty of the valuations, these values may differ significantly from the values that would have been realized had a ready market for these instruments existed and such differences could be material. Entering into or acquiring these CMBS will involve to varying degrees elements of credit, legal, market and documentation risk. Such risks will involve the possibility that there will be no liquid market for these instruments, that the counterparties to the instruments may default on their obligations to perform or disagree as to the meaning of contractual terms relating to these instruments or that there may be unfavorable changes in interest rates or the price of an index or security underlying these CMBS.

**Limited or No Historical Operating Information:** Some of the underlying mortgage loans are secured in whole or in part by mortgaged properties for which limited or no historical operating information is available. As a result, it may be difficult for a client, as an investor in CMBS, to analyze the historical performance of those mortgaged properties underlying the CMBS.

A mortgaged property may lack prior operating history or historical financial information because it is newly constructed or renovated, it is a recent acquisition by the related borrower or it is a single-tenant property that is subject to a triple-net lease. In addition, a tenant's lease may contain confidentiality provisions that restrict the sponsors' access to or disclosure of such tenant's financial information. The underwritten net cash flows and underwritten net operating income for such mortgaged properties are derived principally from current rent rolls or tenant leases and historical expenses, adjusted to account for, among other things, inflation, rent steps, significant occupancy increases and a market rate management fee. In some cases, underwritten net cash flows and/or underwritten net operating income for mortgaged properties are based all or in part on leases (or letters of intent) that are not yet in place (and may still be under negotiation) or on tenants that may have signed a lease (or letter of intent), or lease amendment expanding the leased space, but are not yet in occupancy and/or paying rent).

**Creditor Risks:** Most of our clients' investments are expected to involve assets characterized as debt and as such those investments will generally be subject to various creditor risks. These risks include: (i) the possible invalidation of an investment as a "fraudulent conveyance" under relevant creditors' rights laws; (ii) so-called lender liability claims by the issuer of the obligations; and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any borrower to which our clients (directly or indirectly) lend, such as a missed or delayed payment of interest and/or principal, bankruptcy, receivership or a distressed exchange, can significantly diminish the value of a client's loan to such borrower.

**Risks of Delinquency and Foreclosure:** Commercial mortgage loans that our clients may indirectly own are secured (directly or indirectly) by multifamily or commercial property and are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property, which is subject to the risks related to the ownership of real estate, as described above. In the event of any default under a real estate loan indirectly held by a client or its affiliate, our client will bear a risk of loss of to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the real estate loan, which could have a material adverse effect on the client's cash flow from operations and limit amounts available for distribution to the client's investors.

It is likely that the servicers may find it necessary or desirable to foreclose on some, if not many, of the real estate loans a client may indirectly hold. The foreclosure process is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against the servicer or

direct holders of the loan, including, without limitation, numerous lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action and force the lender into a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the mortgaged property and may result in disrupting the ongoing leasing, management and operation of the property. The expense and delay associated with foreclosure of a mortgage loan could have a substantial negative effect on a client's anticipated return on the foreclosed mortgage loan.

In the event of the bankruptcy of a real estate loan borrower, the real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor in possession to the extent the lien is unenforceable under state law. The bankruptcy process can involve substantial legal, professional and administrative costs, be subject to unpredictable and lengthy delays and negatively impact the underlying property and consequently, on a client's return. The debt of entities in bankruptcy will, in most cases, not pay current interest and may not accrue interest during bankruptcy, and their assets may suffer an erosion of value. Such investments can result in a total loss of principal. During the bankruptcy process, the creditors may not take adverse actions towards the bankrupt entity or any of its assets without court approval.

**Exposure to individual borrower credit risk.** To the extent a client originates or acquires residential or commercial first lien mortgages or whole loans, it will be subject to individual credit risk. While such mortgages will be secured by multifamily properties, a client will be relying on the borrower's willingness to make timely payments.

**Exposure to General Aspects of Mortgage Loans:** Loans originated or acquired by a client will be subject to certain risks relating to the legal aspects of mortgage loans. Depending upon the applicable state law governing mortgage loans (which laws may differ substantially), a client may be adversely affected by the operation of state law with respect to its ability to foreclose upon mortgage loans, the borrower's right of redemption, the enforceability of assignments of rents, due-on-sale and acceleration clauses in loan instruments, as well as other creditor's rights provided in such documents and the enforceability of personal guarantees. In addition, a client may be subject to liability as a lender with respect to its negotiation, administration, collection and/or foreclosure upon mortgages. Moreover, a client may attempt to obtain contractual rights to participate in or substantially influence the management of properties by borrowers which may result in an increased likelihood that a borrower may claim that a client interfered with the borrower's business, acted in bad faith in exercising its management rights or otherwise acted in a manner giving rise to a claim for lender liability. As a lender, a client may also be subject to penalties for violation of state usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest. Bankruptcy laws may: (i) delay the ability of a client to realize on its collateral for one or more loans; (ii) adversely affect the priority thereof through doctrines such as equitable subordination; and/or (iii) result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

In addition, mortgage loans in which a client indirectly expects to invest in through the securitization pools typically permit the lender to accelerate the debt upon default by the borrower. The courts of all states will enforce acceleration clauses in the event of a material payment default, subject in some cases to a right of the court to revoke the acceleration and reinstate the mortgage loan if a payment default is cured. The equity courts of a state; however, may refuse to allow the foreclosure of a mortgage or to permit the acceleration of the indebtedness in instances in which they decide that the exercise of those remedies would be inequitable or unjust or that the circumstances would render an acceleration unconscionable.

Further, the ability to collect upon mortgage loans may be limited by the application of state and federal laws. For example, Nevada has enacted a law providing that if an assignee of a note secured by real property paid less than the face amount of the note, the creditor cannot recover more in a deficiency action than the amount it paid for the

note. If the Nevada law is upheld or if similar laws are enacted in other jurisdictions that could materially and adversely affect a client's performance.

**Preferred Equity Investments:** A client may participate in a direct investment in real estate by investing in preferred equity. Such investments generally involve only a few investors and are not securitized. Investments in preferred equity involve a greater risk of loss than conventional debt financing due to a variety of factors, including their non-collateralized nature and subordinated ranking to other loans and liabilities of the entity in which such preferred equity is held. Accordingly, if the issuer defaults on a client investment, the client would only be able to proceed against such entity in accordance with the terms of the preferred equity, and not against any property owned by such entity. Furthermore, in the event of bankruptcy or foreclosure, the client would only be able to recoup its investment after all lenders to, and other creditors of, such entity are paid in full.

**Mezzanine Debt Investments.** A client may invest in mezzanine debt, which unlike conventional mortgage loans, are not secured by a mortgage on the underlying real property but rather by a pledge of equity interests (such as a partnership or limited liability company membership) in the property owner or another company in the ownership structure that has control over the property. Generally, mezzanine loans may be more highly leveraged than other types of loans and subordinate in the capital structure of the borrower. While foreclosure of a mezzanine loan generally takes substantially less time than foreclosure of a traditional mortgage, the holders of a mezzanine loan have different remedies available versus the holder of a first lien mortgage loan. In addition, a sale of the underlying real property would not be unencumbered, and thus would be subject to encumbrances by more senior mortgages and liens of other creditors. Upon foreclosure of a mezzanine loan, the holder of the mezzanine loan typically acquires an equity interest in the borrower or other obligor. However, because of the subordinate nature of a mezzanine loan, the real property continues to be subject to the lien of the mortgage and other liens encumbering the real estate. In the event a client forecloses on its equity collateral in a mezzanine loan, the client may need to cure the borrower or other obligor's existing mortgage defaults or, to the extent permissible, sell the property to pay off other creditors. To the extent that the amount of mortgages and senior indebtedness and liens exceed the value of the real estate, the collateral underlying the mezzanine loan may have little or no value.

**Risks of Natural Disasters:** The investments in which a client may invest will include assets secured by commercial property and related assets and will be subject to risks relating to natural disasters and catastrophes. These include, but are not limited to, earthquakes, tornadoes, hurricanes, tsunamis, severe storms, floods or other casualty event risks. While the servicer who services these loans will generally require that the borrower have adequate insurance coverage to fully repair and/or replace the collateral securing the investments, there can be no assurance that such insurance coverage will provide the borrower and/or the lender with sufficient insurance proceeds to fully repair and/or replace the collateral. Moreover, the insurance carrier(s) providing the insurance could contest payment in the event of a casualty event (even if that casualty event is covered under the relevant insurance policy), and resolving any such dispute may result in delays in recovering insurance proceeds and losses to a client.

Also, the absence of affordable insurance coverage may adversely affect the general real estate lending market, lending volume and the market's overall liquidity and may reduce the number of suitable investment opportunities available to a client and the pace at which a client is able to make investments. If the properties underlying a client's investments are unable to obtain affordable insurance coverage, particularly if there are any disputes with the insurer(s) and/or the underlying collateral is subject to self-insured retention coverage, the value of those investments could decline, and in the event of an uninsured or inadequately insured loss, a client could lose all or a portion of its investment.

**Purchase of Non-performing Loans:** We may, in connection with our investments in B-Piece Certificates, elect to purchase non-performing loans underlying the B-Piece Certificates solely for purposes of restructuring or otherwise working out the loan. In such cases, a client will hold the loans directly, consequently, any risks associated with holding loans directly will be imputed to the client.

**Regulatory Risks:** The real estate industry is extensively regulated and subject to frequent regulatory change. The adoption of new legislation or changes in existing laws or new interpretations of existing laws can have a significant

impact on methods of doing business, costs of doing business and amounts of reimbursement from governmental and other agencies.

**Zoning and Land Use Regulations:** Governmental zoning and land use regulations may exist or be promulgated that could have the effect of restricting or curtailing certain uses of existing structures, or requiring that such structures be renovated or altered in some fashion. Such regulations could adversely affect the value of any of the properties underlying a client's investments. In recent years, the value of real estate has also sometimes been adversely affected by the presence of hazardous substances or toxic waste on, under, or in the environs of the real estate. A substance (or the amount of a substance) may be considered safe at the time the real estate is purchased but later classified by law as hazardous. Under environmental laws, owners of properties have been liable for substantial expenses to remedy chemical contamination of soil and groundwater at their real estate even if the contamination predated their ownership. Environmental contamination cannot always be detected through readily available means, and the possibility of such liability cannot be excluded.

**Limited Number of Investments:** Each client will participate in a limited number of investments. As a result, a client's investment portfolio is likely to be highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than anticipated on an ongoing basis, a client may invest in a smaller number of projects, properties and loans than it otherwise could have and thus will be comparatively less diversified.

**Sourcing of Investments:** A client's operating results will be dependent upon the availability of, and our ability to identify, consummate, manage and realize, appropriate investment opportunities. It may take considerable time for us to identify and consummate appropriate investments for a client. In general, the availability of desirable investment opportunities and a client's investment returns will be affected by the level and volatility of interest rates, by conditions in the financial markets and general economic conditions. No assurance can be given that we will be successful in identifying, underwriting and then consummating investments which satisfy a client's investment objective or that such investments, once consummated, will perform as intended. A client will be engaged in a competitive business and will be competing for attractive investments with traditional lending sources, as well as existing funds, or funds formed in the future, with similar investment objectives.

**Limited Control Over Investments:** A client may not have full control over certain of its investments, which may limit our ability to manage such investments in the client's best interests. For example, a client may make certain of its investments through partnerships, joint ventures, corporations, companies, or other entities that are managed by third parties. Such investments may involve risks not present in wholly owned investments, including for example, the possibility that a co-venturer or partner of a client might commit fraud, become bankrupt, or may have economic or business interests or goals which are inconsistent with those of a client, or that such partner or co-venturer may be in a position to take action contrary to the instructions or the requests of the client or contrary to the client's policies or objectives or otherwise have certain rights with respect to the investments, which may limit a client's ability to protect its position and make decisions with respect to its investments. Furthermore, if such co-venturer or partner defaults on its funding obligations, it may be difficult for a client to make up the shortfall from other sources. Any default by such co-venturer or partner could have an adverse effect on a client, its assets, and the interests of the investors. In addition, a client may be liable for actions of its co-venturers or partners. While we will attempt to limit the liability of a client by reviewing qualifications and previous experience of co-venturers or partners, such action may not be sufficient to protect a client from liability or loss.

**Risks of Investments in Real Property:** To the extent a client makes a direct investment in real estate (i.e., other than through CMBS), the ultimate value of the client's investment depends upon OCA's, its affiliates' or service providers' ability to improve and/or operate the real property in a manner sufficient to maintain or increase revenues in excess of operating expenses and debt service or, in the case of real property leased to a single lessee, the ability of the lessee to make rental payments. Revenues and property values may be adversely affected by changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; the financial condition of tenants, buyers and sellers of properties; competition from other properties offering the same or similar services; changes in interest

rates and in the availability, cost and terms of mortgage financing; the impact of present or future environmental legislation and compliance with environmental laws; the ongoing need for capital improvements (particularly in older structures); changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; and other factors that are beyond the control of the real property owners and the client. In the event that any of the properties underlying the client's investments experience any of the foregoing events or occurrences, the value of and return on such investments would be negatively impacted.

**Cybersecurity Risks:** The computer systems, networks and devices used by OCA and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

**Uncertain Economic, Social And Political Environment:** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial, public health or other crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on a client or OCA. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire investments for a client, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a client to execute its strategy and to receive an attractive multiple of earnings on the disposition of its investments.

For example, Russia's large-scale invasion of Ukraine on February 24, 2022 has led to various countries, including the United States, imposing economic sanctions on certain Russian individuals and Russian corporate and banking entities. A number of jurisdictions have also instituted broader sanctions on Russia, including banning Russia from global payments systems that facilitate cross-border payments. The sanctions are broad and will likely cause declines in the value and liquidity of Russian securities, downgrades in the credit ratings of Russian securities, devaluation of Russia's currency, and increased market volatility and disruption in Russia and throughout the world. Sanctions and similar measures, such as banning Russia from financial transaction systems that facilitate international transfers of funds, could limit or prevent a client from selling and buying impacted securities both in Russia and in other markets. Such measures will likely cause significant delay in the settlement of impacted securities transactions or prevent settlement altogether. The consequences of the war and sanctions may negatively impact other regional and global economic markets in which a client participates. Additionally, Russia may take counter measures or engage in retaliatory actions—including cyberattacks and espionage—which could further disrupt global markets and supply chains, adversely impacting a client and OCA's operations. Companies in other countries that do business with Russia

and the global commodities market for oil and natural gas, especially, will likely feel the impact of the sanctions. These sanctions, together with the potential for a wider armed or cyber conflict, could increase financial market volatility globally and, as a result, negatively impact a client's performance beyond any direct exposure to Russian issuers or securities.

**Inflation:** Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets, particularly in emerging economies. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on a client's returns. At present, the U.S. is experiencing significant and sustained inflation which has caused an abrupt rise in interest rates.

**Pandemic Risk:** A widespread outbreak of an infectious illness, such as the COVID-19 pandemic, may result in border closings and other travel restrictions and disruptions, market volatility, disruptions to business operations, supply chain disruptions, reduced and customer activity, prolonged quarantines, cancellations, business closures, layoffs, ratings downgrades, defaults and other significant economic, social and political impacts. Markets may experience temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. The extent to which such events may impact our investment strategies will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. The duration of any outbreak and its effects cannot be predicted with certainty.

#### ITEM 9. DISCIPLINARY INFORMATION

Neither OCA nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item 9.

#### ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

OCA, which is based in Denver, Colorado, is a wholly owned subsidiary of Origin Investments, which is a real estate investment management company that sponsors private investment vehicles that invest in real estate. Origin Investments, which is operated out of Chicago, Illinois, provides advice with respect to pooled investment vehicles that generally hold real estate assets and generally do not significantly invest in securities. Origin Investments is not subject to or registered under the Advisers Act. As of December 31, 2023, Origin Investments had more than \$2.4 billion of real estate assets under discretionary management, which are managed on behalf of over 3,800 investors.

OCA serves as the investment adviser of the Funds and expects to serve as investment adviser of additional new private funds and separate account clients in the future, which may be open to new investors and existing investors of the Funds. Such new clients may have similar investment objectives as the Funds. Sponsoring such new private funds and managing such new separate account clients represents a conflict of interest with respect to OCA staff's dedication of business time, sourcing of investments and an incentive to undertake risk in an effort to earn performance-based fees. Please see the disclosure above in the section entitled "Item 6. Performance-Based Fees/Side-by-Side Management" for a description of this latter conflict of interest.

OCA, its executive officers, and its employees expect to spend as much of their time on the activities of a particular client as they deem necessary and appropriate. OCA and its affiliates are not restricted from investing in, forming or being involved with additional private funds, from entering other investment advisory relationships, or from engaging in other business activities. OCA's involvement in these other activities, such as the real estate and private funds referenced above, is a conflict of interest. The time and efforts of OCA officers and employees will be allocated among the firm's clients.

OCA is affiliated with Kovitz Investment Group Partners, LLC (“Kovitz”) which is also owned by Focus LLC. OCA and Origin Investments utilize some of the operational, finance, human resources and compliance resources of Kovitz in the operation of their business.

## BUSINESS RELATIONSHIPS

### Focus Financial Partners

As noted above in response to Item 4, certain investment vehicles affiliated with CD&R collectively are indirect majority owners of Focus LLC, and certain investment vehicles affiliated with Stone Point are indirect owners of Focus LLC. Because OCA is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of OCA.

We also have business arrangements with other Focus Partnership firms, who are indirect, wholly-owned subsidiaries of Focus LLC, under which certain clients of these Focus Partnership firms have the option of investing in certain private investment vehicles that we manage. OCA is an affiliate of these firms by virtue of being under common control with them.

Clients of Focus Partnership firms indirectly provide compensation to OCA through the fund-level management fees and performance fees that they pay as investors in OCA’s private investment vehicles. As a result, the allocation of the Focus Partnership firms’ clients’ assets to OCA’s pooled investment vehicles, rather than to an unaffiliated investment manager, increases OCA’s, and indirectly, Kovitz and Focus LLC’s, compensation and revenue. As a consequence, Kovitz and Focus LLC have a financial incentive to cause Focus Partnership firms to recommend that their clients invest in OCA’s pooled investment vehicles, which creates a conflict of interest with those Focus Partnership clients who invest in OCA’s pooled investment vehicles. More information about Focus LLC can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

We believe this conflict is mitigated because of the following factors: (1) OCA and its pooled investment vehicles have met the due diligence and performance standards applied by the Focus Partnership firms; (2) subject to redemption restrictions, the Focus Partnership firms are willing and able to reallocate their clients’ assets to other, unaffiliated investment vehicles, in part or in whole, if OCA’s services become unsatisfactory in the judgment of, and at the sole discretion of, each of the Focus Partnership firms; and (3) we have fully and fairly disclosed the material facts regarding this relationship in this Brochure.

## ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

We have adopted a Code of Ethics (“Code”). We recognize that we have a fiduciary duty to our clients in providing investment management services and we will act in our clients’ best interests. Our Code includes:

- ◆ A requirement that our employees read the Code upon the start of their OCA employment, and annually thereafter, and that they certify they have read it;
- ◆ Rules regarding the giving and receiving of gifts and business entertainment;
- ◆ Rules for review and approval by us if our employees wish to engage in outside business activities;
- ◆ Rules regarding OCA or its employees making political contributions;
- ◆ Requirements that we review the Code on a periodic basis, and annually assess the risks that exist in our business;
- ◆ Rules for enforcing our Code and for reporting violations of our Code to our compliance staff; and
- ◆ Rules for reviewing and approving our employees’ securities accounts and transactions.

A copy of the Code is available to any client or prospective client upon request.

## PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

OCA and certain employees and affiliates may invest in and alongside the clients, either through the general partners or managing members of the clients, as direct investors in the clients or otherwise. A client or its managing member or general partner, as applicable, may reduce all or a portion of the management fee and performance-based fee related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a client or a co-investment opportunity (see below) may ask different questions and request different information, OCA in certain circumstances provides certain information to one or more prospective investors or investors in a client that it does not provide to all of the prospective investors or investors in a client; provided, however, OCA shall not provide preferential information about a client or its portfolio holdings to less than all its client’s investors if there is a reasonable expectation that such information would have a material, negative effect on other investors.

## CONFLICTS OF INTEREST

OCA and its affiliated entities expect to engage in a broad range of activities, including investment activities for the accounts of other private fund clients. In the ordinary course of conducting its activities, the interests of a client will, from time-to-time conflict with the interests of OCA, other clients or their respective affiliates.

In the case of all conflicts of interest, OCA’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using OCA’s best judgment, but in its sole discretion. In resolving conflicts, OCA considers various factors, including the interests of the applicable clients with respect to the immediate issue and/or with respect to their longer-term courses of dealing.

A private fund client is subject to various actual and potential conflicts of interest arising out of its relationship with us, the general partner or managing member to the private fund client and their respective principals, directors, members, officers, employees and affiliates (collectively, the “OCA Parties”). With respect to the conflicts of interest described herein, the OCA Parties will endeavor in good faith to fairly balance a client’s interest with the interest of the OCA Parties in making any determinations or decisions, but no assurance can be given that in such resolution that a client’s interests will be paramount. These conflicts include, but are not limited to, the items listed below:

### *Co-Investment and Parallel Vehicles*

Any co-investment vehicles, separately managed accounts, other private fund clients and other accounts of the OCA Parties may have different incentive fee and management fee structures, which create an incentive for such parties to act for the benefit, including with respect to acquisitions and dispositions of investments, of any such co-investment vehicles, separately managed accounts, other private fund clients or other accounts to the detriment of a client. See Item 6 for more information.

### *Other Services*

No OCA Parties will be prohibited from providing services to, and otherwise dealing or doing business with, a client or its investments, including, without limitation, Affiliate Services, provided any such services or other dealings with a client will be on terms that generally represent market terms.

### *Time and Attention*

The OCA Parties must allocate their time between advising a client and managing other real estate projects and business activities in which they may be involved, including other private fund clients and any other investment vehicle or separate account managed by the OCA Parties.

### *Fees and Compensation*

The compensation payable by a client to the OCA Parties may not be on terms that would result from arm's-length negotiations between unaffiliated parties, and the management fee is payable to us regardless of the quality of the investments acquired, the services provided to a client or whether a client makes distributions to its investors. The management fee, which is payable without regard to a client's performance, could motivate us to gather more assets than it can manage effectively, thereby diluting returns to investors. In addition, we are entitled to receive performance-based compensation with respect to a client. Performance-based compensation could motivate the OCA Parties to make investment decisions that are riskier or more speculative than would be the case if such arrangements were not in effect.

Furthermore, we may determine all matters concerning valuation of a client's investments. We have a conflict of interest as certain of the OCA Parties' fees and compensations will be based on such valuation. Accordingly, OCA is incentivized to increase the value of a client's holdings in order to increase our compensation.

#### *Related Party and Principal Transactions*

The OCA Parties do not anticipate entering into related party or principal transactions but if they occur, the OCA Parties will comply with applicable law.

#### *Structuring*

Private fund client investors may have conflicting investment, tax and other interests with respect to their investments in a client, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by us regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, we generally will consider the investment and tax objectives of a client and its investors as a whole, not the investment, tax or other objectives of any investor individually.

#### *Legal Representation*

Legal counsel to the OCA Parties also represents OCA's private funds from time to time in a variety of matters. It is not anticipated that, in connection with the organization or ongoing operation of such private fund, the private fund will engage separate counsel. Legal counsel is not responsible for any acts or omissions of any OCA client, OCA (including their compliance with any guidelines, policies, restrictions or applicable law or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian or other service provider to a client or OCA.

#### *Side-by-Side Management*

An OCA client and its investors are subject to significant potential and actual conflicts of interest with respect to side-by-side management with other clients (including other funds) managed by the OCA Parties. Side-by-side management is the simultaneous management of multiple accounts that follow the same or similar investment strategies.

The OCA Parties advise, and may advise in the future, other investment vehicles, separately managed accounts or other clients that may invest in similar or different investments. The investment professionals of the OCA Parties make the investment decisions for all client accounts. In addition, the investment professionals may be personally invested in certain client accounts and entitled to different fees from clients. Accordingly, the investment professionals are incentivized to favor one client over another to the extent an investment professional is personally invested in a client.

In managing multiple accounts, the OCA Parties may determine that an investment opportunity is appropriate for a particular client, but not for another client. To the extent that certain clients invest in a limited investment opportunity such as where an investment has limited capacity or is closing to new or additional investment, the

ability of other current or future clients to invest in that same investment opportunity may be adversely affected. In allocating such limited investment opportunities, not all clients may end up participating in an opportunity.

Situations may arise in which accounts managed by the OCA Parties have made investments that would have been suitable for investment by one client but, for various reasons, were not pursued by, or available to, another client. This could arise with respect to an investment that, for example, places stringent restrictions on the number of investors whose money it will manage or their aggregate assets under management. As a result, certain investments to which the OCA Parties would like to allocate assets may limit, or be unable or unwilling to accept, an allocation of such client's assets. To the extent that entities affiliated with the OCA Parties invest in investments, the ability of a client to invest in the same investment may be adversely affected by any limitation on availability of the investment. In addition, the OCA Parties may have to allocate limited investment opportunities in investments among clients, to the possible detriment of another client.

There may be instances when allocating investments among clients where some clients may participate in certain opportunities made available to the OCA Parties while other clients may not. Where accounts have competing interests in a limited investment opportunity, the OCA Parties do not typically allocate investment opportunities pro rata among clients but rather allocates investment opportunities on the basis of numerous other considerations, including, without limitation, an account's cash flows, investment objectives and restrictions, participation in other opportunities, appropriate design and balancing of investment portfolios of such account, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

In exercising its discretion to allocate investment opportunities and fees and expenses among clients with differing fee, expense and compensation structures, the OCA Parties have an incentive to allocate investment opportunities to the clients from which the OCA Parties or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to inherent biases in the process.

The OCA Parties may participate in the management of other OCA accounts, vehicles, products and/or other similar arrangements with the same or similar investment objectives ("Other Accounts"), which may from time to time create conflicts of interest. With respect to Other Accounts with investment objectives that overlap with a client's, this overlap will from time to time create conflicts of interest, which OCA and its affiliates will seek to manage in a fair and equitable manner in their sole discretion, which may be on a pro rata based on available capital or on a rotational basis, subject to the following considerations: (i) applicable investment objectives; (ii) any investment limitations, parameters or contractual provisions of a client and such Other Accounts; (iii) the return profile, expected distribution rates, anticipated cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification; (iv) avoiding allocation that could result in de minimis investments; (v) available capital and stage of a client or Other Account's life cycle; (vi) preference of the issuers of investment opportunities; and (vii) legal, tax, accounting, regulatory and other considerations deemed relevant by OCA and its affiliates.

The foregoing conflicts cannot be completely alleviated, and private fund client investors should understand that, to the extent a client and other clients of the OCA Parties have uncommitted capital, the potential for conflict exists.

A client investor may invest in an investment or co-investment in which a client is invested. In certain instances, the OCA Party may notify a client investor of an investment opportunity if such opportunity is not appropriate for a client or if sufficient capacity exists such that a client would not be disadvantaged if the investor participated separately. Such notification may create a conflict of interest to the extent the investment later restricts investor participation.

#### *Relationship Between OCA and Origin Investments*

OCA is a wholly-owned subsidiary of Origin Investments and, accordingly, Origin Investments has the ability to control certain of our actions; provided, Origin Investments and OCA are intended to operate separately under distinct

supervision and compliance programs and are required to make independent and distinct investment decisions. Notwithstanding the foregoing, various conflicts of interest may result due to the relationship between Origin Investments and us.

#### *Other Potential Conflicts*

Governing documents of a client establish complex arrangements among the clients, OCA, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the governing documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While OCA will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a client or fund investor.

OCA and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a client. For example, airline travel or hotel stays incurred as client expenses may result in "miles" or "points" or credit in loyalty/status programs to OCA and/or its personnel, and such benefits, rewards and/or amounts (whether de minimis or difficult to value) will exclusively benefit OCA and/or such personnel even though the cost of the underlying service is being borne by the clients, their investors, and/or portfolio investments. Any such benefits, rewards and/or amounts will not be shared with such client, its investors and/or the portfolio investments. In addition, airline travel incurred as a client expense for OCA personnel travelling for appropriate client-related purposes may benefit OCA personnel to the extent the trip also serves a personal purpose.

OCA has in the past and may, from time to time in the future, cause one or more clients to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Clients, the applicable general partner, OCA and/or their respective directors, officers, employees, agents, representatives and other indemnified parties, against liability in connection with the activities of the clients. This may include a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by OCA that cover one or more clients and/or OCA (including their respective directors, officers, employees, agents, representatives, and other indemnified parties). OCA will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella" or other insurance policies among one or more clients, and/or OCA on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a client bearing less (or more) premiums, fees, costs and expenses for insurance policies.

## ITEM 12. BROKERAGE PRACTICES

### GENERAL

To the extent our advisory clients pay brokerage commissions for execution of securities transactions, the broker selected may assess these commissions, in part, as a minimum charge per trade. If the number of shares involved in the transaction is large, the broker's commission may be assessed as an amount per share. These commissions are in addition to the investment management fees clients pay to OCA.

OCA considers the following when selecting brokers for client trades and determining the reasonableness of their compensation in cases where the client does not select the brokers for its trades:

- ◆ Cost of execution (the commission);
- ◆ Execution price and timing;
- ◆ Accessibility and responsiveness of broker staff;
- ◆ Quality, depth, and breadth of services the broker offers;
- ◆ Tools and applications the broker provides to benefit our clients;

- ◆ The broker's willingness to accommodate clients' special needs;
- ◆ Access to liquidity (to facilitate our sales and minimize market price impact);
- ◆ Protection of confidential information;
- ◆ Trade allocation policies;
- ◆ Trade error correction policies; and
- ◆ The broker's integrity, reputation, and financial condition.

#### RECEIPT OF SOFT DOLLAR BENEFITS

It is not anticipated that OCA will utilize soft dollars as OCA does not trade in equity securities. That being said, we may receive hardware and software tools, administrative and reporting tools, and research and other items through our prime brokerage or other trading relationships. Certain tools and research products are expected to benefit all OCA clients, while the tools available through our brokerage relationships benefit only the accounts held at such brokers.

We do not expect to have to pay separately for these tools and research products, and we expect to benefit from that. We may have an incentive to enter these relationships based on our receipt of these tools and research products rather than on our clients' interest in receiving best execution. However, we believe that the receipt of these tools and products is customary and is not a material element of the relationships. In addition, the receipt of these tools is not dependent on the amount of commissions or frequency of trades in client accounts.

#### TRADE ERRORS

If trade errors occur, we intend to follow our governing documents regarding whether OCA will reimburse for the error. If errors occur when OCA uses unaffiliated brokers, OCA has limited ability to control their resolution. These brokers typically have their own policies and procedures for corrections, administering gains and losses, and charitable donations, for example.

#### AGGREGATION AND ROTATION

Where possible, we typically aggregate or group advisory client transactions in the same securities when executed on the same day to ensure efficient trade execution. This also allows us to provide an average price for each client trade, minimizes the risk of preferential treatment for certain clients over others, and is consistent with our obligations to obtain the best execution for client trades.

### ITEM 13. REVIEW OF ACCOUNTS

#### OVERSIGHT AND MONITORING

The investment portfolios of the clients are generally private and long-term in nature, and accordingly OCA's review of them is not directed toward a short-term decision to dispose of securities. However, OCA closely monitors these investment portfolios and generally maintains an ongoing oversight position of its clients. The portfolios are reviewed by the portfolio management team on an on-going basis.

#### REPORTING

Investors in our private fund clients typically receive, among other things, a copy of audited financial statements of the relevant client as promptly as is reasonably possible after the fiscal year end of such client, as well as quarterly performance reports after each fiscal quarter end. We and the applicable managing member or general partner, if any, will from time to time, in our sole discretion, provide additional information relating to such client to one or more investors in such client as we deem appropriate.

### ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

We have entered into agreements with unaffiliated placement agents to refer their clients and/or investors to our Funds. The agreements require us to pay the third party a portion of the investment management fees we receive for managing the Funds in which their clients/investors invest.

Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending OCA receives an economic benefit for doing so. Rule 206(4)-1 of the Advisers Act and related guidance address this conflict of interest by, among other things, requiring disclosure of whether the placement agent is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the placement agent. Accordingly, we require placement agents to disclose to referred clients, in writing: whether the placement agent is a client or a non-client; that the placement agent will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

Please refer to Item 12. Brokerage Practices for background on benefits and certain compensation we may receive from our custodial relationships.

OCA's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include OCA, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including OCA. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including OCA. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause OCA to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including OCA. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2023 to March 1, 2024:

- Orion Advisor Technology, LLC
- Fidelity Brokerage Services LLC
- Fidelity Institutional Asset Management LLC
- TriState Capital Bank
- StoneCastle Network, LLC
- Charles Schwab & Co., Inc.

You can access updates to the list of conference sponsors on Focus' website through the following link:

<https://focusfinancialpartners.com/conference-sponsors/>

A number of our principals may be eligible for additional compensation from our indirect parent company, Focus, LLC (or one of its affiliates), depending on the performance of OCA. Eligibility will be determined based on all or a portion of OCA's cumulative earnings. This potential for increased compensation provides an incentive for these principals to encourage investors to maintain and even increase the size of their investment account with our Funds.

## ITEM 15. CUSTODY

To the extent client assets are held by one or more custodial banks, such custodial banks send account statements to investors in such client. Such investors should compare the account statement received from the custodial bank to account statements OCA delivers to investors. To the extent a client is audited, OCA delivers audited financial statements to investors.

#### ITEM 16. INVESTMENT DISCRETION

Investment advice is provided directly to the Funds, and not individually to the investors in any private fund client. Services are provided to the clients in accordance with the advisory agreements with the clients and/or governing documents of the applicable client. Investment restrictions for the clients, if any, are generally established in the organizational documents of the applicable client.

#### ITEM 17. VOTING CLIENT SECURITIES

Our clients invest in financial investments supported by real estate properties which generally do not issue proxies. Clients generally do not hold securities which possess voting rights on behalf of the clients. OCA maintains proxy voting policies as required should OCA be required to vote proxies on the clients' behalf and address and resolve any material conflicts of interest that may arise in the course of such voting.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any Investor or prospective investor upon written request to: Chief Compliance Officer, at the address listed on the cover page.

#### ITEM 18. FINANCIAL INFORMATION

Not applicable.

#### ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.