

**Setpoint Management LLC**

**March 15, 2024**

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**This brochure provides information about the qualifications and business practices of Setpoint Management LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 512-240-2513. This information has not been approved or verified by the SEC or by any state securities authority.**

**Additional information about Setpoint Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

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**Advisory Business**

The Adviser is an investment adviser with its principal place of business in New York, New York. In addition to its primary office in New York, the Adviser has a second office in Austin, Texas. Setpoint Holdings LP (the “Parent Company”) is the sole direct owner and managing member of the Adviser, and Setpoint GP LLC is the general partner of the Parent Company. The Adviser commenced operations as an investment adviser on April 15, 2021. Each operator of the Adviser is employed by Setpoint Technologies Inc. (the “Tech Affiliate”), a separately owned and operated technology company with which the Adviser has a services agreement. Stuart Andrew Wall, Benjamin David Rubenstein, and Michael Lam are co-founders, executive team members, and board members of the Tech Affiliate, and together with Setpoint GP LLC, are the principal owners of the Parent Company.

The Adviser provides advisory services on a discretionary basis to its clients, which consist of a separately managed account and pooled investment vehicles (the “Clients”) intended for accredited investors. The Adviser will provide advice to its Clients based on specific investment objectives and strategies. The Adviser’s Clients primarily invest in credit facilities, mezzanine debt and other credit or preferred equity products. For more information about the Adviser’s investment strategy, see the discussion under Item 8 below. The Adviser will agree to tailor advisory services to the individual needs of certain Clients.

As of December 31, 2023, the Adviser had approximately \$299,866,295 in Client assets under management, all of which were being managed on a discretionary basis.

**Fees and Compensation**

*Asset-Based Compensation*

The Adviser charges each Client account an investment management fee based on the value of the Client account's assets under management (the "Management Fee"), in accordance with the respective offering memoranda, limited partnership agreements and/or other governing documents (the "Governing Documents") of each Client. The information provided in this brochure is not intended to be complete or final and is qualified in its entirety by the Governing Documents.

The Adviser is paid an asset-based investment Management Fee ranging from 0.5% to 2.0% per annum of the net assets of the respective Client account. The Adviser may, in its sole discretion, waive, defer, reduce or rebate all or any portion of the Management Fee for the benefit of any investor.

Management Fees are charged (i) in the case of the Adviser's separately managed account Client, monthly on the 25th day of each month, and (ii) in the case of the Adviser's other Clients, each quarter in arrears based on the total amount of called capital throughout such quarter. If a new Client account is established during a quarter or a Client makes an addition to its account during a quarter, the Management Fee will be charged as of the effective date of the investment management agreement or the date of the additional contribution based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter.

The Adviser deducts the Management Fee from Client accounts (i) on a monthly basis for its separately managed account Client (by instructing the separately managed account Client's custodian), and (ii) on a quarterly basis for its other Clients.

*Performance-Based Compensation*

The general partners of the Clients or their affiliates are also entitled to receive carried interest or similar profit distributions (the "Carried Interest") from the Clients. Carried Interest is a performance-based profit allocation based on a share of the income and gains of the assets of each Client. Carried Interest distributions are typically 17.5% to 20.0% of distributions after investors have received a return of their capital contributions plus a preferred return and a general partner catch-up.

*Expenses*

In addition to paying the Management Fee and, if applicable, performance-based compensation, Client accounts will also be subject to other investment expenses in accordance with the Client's Governing Documents such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, transfer and registration fees or similar expenses; regulatory and compliance fees and expenses; annual audit fees, costs and expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in which the Client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts.

The allocation of expenses by the Adviser between it and any Client and among Clients represents a conflict of interest for the Adviser. The Adviser allocates expenses to each Client in accordance with the Client's arrangements with the Adviser (including applicable Client disclosures). The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the Client and not covered in the Client's arrangements in a fair and reasonable manner. The Adviser allocates common Client expenses among multiple Clients in a manner that it believes in good faith is fair and equitable under the circumstances and considering such factors as it deems relevant, such as, for example, asset size and the number of Clients receiving related benefits.

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

As disclosed above, in addition to the Management Fee, the Adviser or its affiliates are also entitled to receive Carried Interest distributions from the Clients. Such performance-based compensation may create an incentive of the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, certain of the Adviser's personnel are compensated on a basis that includes a performance-based component.

The Adviser manages multiple Clients, which creates a conflict of interest because the Adviser may have an incentive to allocate potentially more favorable investment opportunities to one Client or account over another. Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple Client accounts. In particular, the Adviser will allocate investment opportunities among its Clients in a manner that it believes is fair and equitable in consideration of each Client's investment restrictions and objectives, strategy, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure.

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**Item 7. Types of Clients**

The Adviser's Clients consist of a separately managed account and pooled investment vehicles.

With respect to any Client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle. Minimum investment amounts have been, and may in the future be, waived at the sole discretion of the Adviser.

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

### ***Methods of Analysis and Investment Strategies***

The Adviser's objective is to provide attractive risk-adjusted returns to its Clients through their investments in credit facilities, repurchase agreements, and other credit or preferred equity products (collectively, "Investments"). Investments are primarily with corporate counterparties that operate business models related to United States residential real estate, and it is expected that the Investments will be secured by asset liens on the counterparties, mortgages, and/or the underlying real estate, as applicable. Other arrangements will be explored to the extent appropriate.

Investments may take the form of unitranche or mezzanine facilities (with or without senior leverage at the fund level), term loans, senior secured indebtedness, securitizations, or other similar structures. The Adviser expects that its Clients will deploy a mix of credit products to meet the specific circumstances of a borrower, based on their capital structure cycle (e.g., if a borrower already has a senior facility in place, the Client will be in a position to offer a mezzanine product). The interest rates charged on Investments will vary depending on the underwriting, market conditions, and structure of the Investment, however, the Adviser believes that its Clients can return a premium compared to other similar risk profile investments due to the Client's superior access and understanding of the space, operational and technology advantages, and additional layers of protection which derive in part from its extensive due diligence on its borrowers. While not the primary pricing mechanism, Investments may also pay facility fees and in some cases Clients may receive warrants or equity kickers in connection with an Investment.

The Adviser negotiates various methods to mitigate risk of borrower default, such as by ensuring cross-collateralization, seeking geographic and borrower diversification, utilizing buy-box requirements and concentration limits, focusing on counterparties with strong balance sheets, and monitoring consumer credit quality and appraisal requirements. The Adviser will advise its Clients in connection with underwriting both corporate borrowers and the underlying consumer credit and asset collateral. The Adviser utilizes data science techniques to stress test portfolio performance across a variety of scenarios and inform facility underwriting. The Adviser uses the proprietary technology of its affiliated technology company to provide asset management, valuation and risk management, analytics, and reporting to make its strategy more efficient and to manage risk more effectively.

The Adviser will negotiate each Investment on behalf of its Clients based on the available track record of the borrower and an understanding of the products and the industry. The Adviser may also consider other attributes of the borrowers, the consumers, and the underlying real estate assets. Prior to the Client making an Investment, the Adviser considers various factors related to a borrower, such as business model, hold times or duration exposure to underlying real estate collateral, consumer underwriting process, track record, capitalization, management, and investor base. In addition, the Adviser considers factors related to the consumers of a borrower prior to making an Investment, such as typical mortgage credit considerations of credit and FICO scores, debt to income ratios, available home equity, and other standard mortgage underwriting practices. The Adviser also considers the underlying real estate value of an Investment, by utilizing multiple valuation approaches, such as full on-site appraisals, broker price opinions, and desktop appraisals. Concentration limits and diversification across multiple dimensions will also be assessed with respect to an Investment, such as consumer credit scores, property values, property types, geographies, and borrowers.

### ***Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies***

The following summary identifies the material risks related to the Adviser's significant investment strategies; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. Investors and potential investors in pooled investment

vehicles are directed to the offering memorandum for the pooled investment vehicle for a further discussion of the applicable risks.

**Counterparty Risk.** A number of the investment techniques to be utilized by the Adviser, and a number of markets in which the Adviser advises its Client to invest, may expose it to counterparty risk, which is the risk that a counterparty will not settle a transaction in accordance with its terms. The Adviser is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

**Inflation Risk.** Client accounts may be subject to inflation risk. Inflation risk is the risk that the value of investments or income from investments will be lower in the future as inflation decreases the value of money. As inflation increases, the value of the investments in a Client's account can decline.

**Interest Rate Risks.** The market value of Investments may be affected by changes in interest rates. In general, the market value of a debt investment can be expected to change in inverse relation to an interest rate change where a debt investment has a fixed interest rate or only limited interest rate adjustments. Accordingly, in a period of rising interest rates, the market value of such a debt investment may decrease. Moreover, in a period of declining interest rates, debt investments without adequate call protection may benefit less than other fixed income securities due to accelerated prepayments. Interest rate changes may also affect a Client's return on new Investments that it makes. If there is a period of declining rates, the amounts becoming available to the Client for investment due to repayment of its Investments may be re-invested at lower rates than the Client had been able to obtain in prior investments or than the rates on the repaid investments. Also, increases in the interest rates on debt, if any, incurred by the Client in originating, acquiring, financing, or refinancing Investments may not be reflected in increased rates of return on Investments funded or acquired through such debt, thereby adversely affecting the Client's return on such Investments. Accordingly, interest rate changes may adversely affect the total return on a Client's investment portfolio.

**Issuer-Specific Changes.** Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

**Lack of Diversification.** Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors.

**Leverage.** Performance may be more volatile if a Client's account employs leverage. Although the use of leverage may enhance returns and increase the number of Investments that can be made by a Client, it may also substantially increase the risk of loss; the income and net assets of a leveraged entity (such as a Client), tend to increase or decrease at a greater rate than if borrowed money were not used. Lenders or other holders of senior positions will be entitled to a preferred cash flow prior to the Client's receiving a return on leveraged Investments, and, in the event an Investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of an Investment could be significantly reduced or even eliminated.

***Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks)***

**Early Stage Lending Risk.** The Adviser advises Clients in making Investments to borrowers, which may include early stage and newly-formed "startup" companies. Early stage companies do not have a significant track record, and generally have limited borrowing and operating histories, making it more difficult to assess their creditworthiness. Such companies may also be subject to additional risks, including, though not



exclusively, risks associated with competition with larger and better funded entities, licensing, patent disputes and other intellectual property risks, risks related to the real estate market, rapidly changing consumer trends which may affect the marketability of such company's products, government regulations, access to financing on commercially acceptable terms, and risks associated with macro-economic fluctuations impacting demand. Accordingly, any of these borrower risks could lead to investment losses for Clients in the event of a borrower defaulting on an Investment. Early stage and newly-formed companies may also have fewer assets available to use as collateral, leaving the Client with little recourse in the event of a default.

*Risks Associated with Extension of Credit.* Any substantial economic slowdown could increase delinquencies, defaults and foreclosures and reduce the Adviser's ability to source Investments. Periods of economic slowdown or recession may be accompanied by decreased demand for credit, decreased asset values (including real estate values) and an increased rate of delinquencies, defaults and foreclosures. In addition, should the Client need to collect on a defaulted Investment, litigation could result. There is a high cost associated with any litigation and the results of litigation are always uncertain. Even before litigation is commenced, Clients could experience substantial costs in trying to collect on defaulted Investments, such as legal fees, collection agency fees, or discounts related to the assignment of a defaulted Investment.

*No Control over the Management of a Borrower.* While the Adviser intends to advise Clients to provide Investments to fintech companies with proven management teams in place, there can be no assurance that such management will operate successfully.

*Reliance on Borrower Financial Information.* During the negotiation of Investments, the Adviser and its Clients are reliant upon the borrowers to provide accurate and complete financial information. Such financial information could prove inaccurate or fraudulent in spite of requirements for external auditor reports, lender audit and diligence, and active portfolio monitoring of Investments. Any such inaccuracy or fraud in such financial reporting could materially reduce an Investment's viability and result in substantial loss.

*Credit Risks Associated with Originating Investments.* Extending credit involves the risk that some Investments will not be repaid. Since the borrowers will be primarily residential fintech companies with more limited financial resources than larger, more established companies, Clients may assume a greater risk of loss than might otherwise be the case if it had made Investments to larger companies. The Adviser will attempt to reduce the risk of loss by evaluating each borrower's credit worthiness and the value of its collateral, by limiting the maximum amount loaned to any single borrower, and/or by taking security interests in the borrower's assets, including real property and corporate stock of the borrower, and, in some situations, by obtaining guarantees. However, because such collateral may have limited uses, and because of the forced sale conditions that are generally present in a foreclosure and the holding costs incurred during the foreclosure process, if the Adviser ultimately was forced to liquidate collateral, there could be no assurance that sufficient funds would be collected to avoid a loss.

*Certain Legal Aspects of Mortgage Loans; Lender Liability.* Certain investments may be subject to risks relating to the legal aspects of mortgage loans. Depending upon the applicable law governing mortgage loans (which laws may differ substantially), the Client may be adversely affected by the operation of law (including state law) with respect to its ability to foreclose mortgage loans, the borrower's right of redemption, the enforceability of assignments or rents, due on sale and acceleration clauses in loan instruments, as well as other creditor's rights provided in such documents. In addition, the Client may be subject to liability as a lender with respect to its negotiation, administration, collection and/or foreclosure of mortgage loans. The likelihood is increased that a borrower may claim that the 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, the Client may also be subject to penalties for violation of usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest. Bankruptcy laws may delay the ability of the Client to realize on its collateral or may adversely

affect the priority thereof through doctrines such as equitable subordination or may result in a restructuring of the debt through principles such as the “cramdown” provisions of applicable bankruptcy laws.

***Subordinated Loans.*** A Client may make Investments that are subordinated loans. If a borrower defaults on a subordinated loan or on debt senior to the Client’s Investment or in the event of the bankruptcy of a borrower, an Investment held by the Client will be satisfied only after the senior loans are repaid in full. Under the terms of typical subordination agreements, senior creditors may be able to block the acceleration of the subordinated debt or the exercise by holders of subordinated debt of other rights they may have as creditors. Accordingly, the Client may not be able to take the steps necessary or sufficient to protect its Investment in a timely manner or at all. In addition, subordinated loans may not always be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency. If a borrower declares bankruptcy, the Client may not have full or any recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the Investment. Further, the Client’s ability to amend the terms of an Investment, assign an Investment, accept prepayments, exercise its remedies (through “standstill periods”) and control decisions made in bankruptcy proceedings may be limited by intercreditor arrangements if debt senior to the Client’s Investment exists. The level of risk associated with subordinated loans increases if such loans are issued by distressed or below investment grade issuers.

***Equity Securities.*** The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short term as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and “growth” stocks can react differently from “value” stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

***Illiquid Instruments.*** Certain instruments may have no readily available market quotation or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser’s ability to sell particular instruments when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a client’s portfolio.

***Real Estate Risks.*** There is no assurance that Investments will be profitable or that cash flow will be available for distribution to the investors. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of Investments or the collateral therefor. The cash flow and value of Investments will depend on many factors beyond the control of the Adviser, including, without limitation: changes in general economic or local conditions; changes in supply of or demand for competing properties in an area (as a result, for instance, of over-building); changes in interest rates; the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection and occupational safety; unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; the financial condition of borrowers and of tenants, buyers and sellers of property; changes in real estate tax rates and other operating expenses; the imposition of rent controls; energy and supply shortages; various uninsured or uninsurable risks; and natural disasters. There is no assurance that there will be a ready market for Investments as investments in real estate generally are not liquid.

***Regulation of Consumer Loans.*** New laws and regulations adopted in various jurisdictions in the United States may significantly impact consumer loans and lenders of consumer loans. In addition, there has been additional scrutiny by governmental authorities and other interest groups regarding consumer loans and consumer loan lenders. For example, the CFPB in June 2017 reported that it had completed its review of

public comments concerning a proposed regulation that may eliminate or substantially impair the ability of many lenders to continue to offer payday loans, automobile title loans, deposit advances and “high cost” consumer (non-mortgage) loans. It is impossible to predict what, if any, changes in the regulations and the enforcement and regulatory/political climates relating to consumer loans and consumer loan lenders will be applicable to the Adviser and its Clients, or to the parties that Clients may lend to, may be instituted in the future. Any such laws or regulations could have a material adverse impact on the profit potential of the Clients, as well require increased transparency as to the identity of the Investors.

*Minority and Non-Controlling Investments.* A significant portion of Clients’ Investments may be in privately held companies (and/or positions in portfolio companies where disproportionate voting control (relative to economic ownership) remains with such portfolio companies’ founders) and, therefore, the Adviser may have a limited ability to control various strategic decisions for those portfolio companies. In addition, during the process of exiting Investments, the Adviser is likely to hold minority equity stakes if portfolio holdings are taken public. The Adviser may advise that Clients invest in companies for which the Client has no right to appoint a director or otherwise exert significant influence. In such cases, the Client will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Client is not affiliated and whose interests may conflict with the interests of the Adviser and its Clients. To the extent that the management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates his or her employment with such company, the Client’s Investment in such company could be adversely affected. In addition, where the Client holds a minority position in a portfolio company, the Adviser and the Client may also have limited information rights with respect to such portfolio company and thus will receive less information regarding such portfolio company than some or all of its other equity holders.

#### **Additional Risks Relating to the Adviser**

*Cybersecurity Risk.* The information and technology systems of the Adviser and of key service providers to the Adviser and its Clients, may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. For instance, cyber-attacks may interfere with the processing or execution of transactions, cause the release of confidential information, including private information about Clients, subject the Adviser or its affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Adviser’s key service providers, may cause significant harm to the Adviser or Clients, including the loss of capital. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information, which may result in identity theft.

*Risk Management Failures.* Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of Clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to Clients.

*Systems and Operational Risk.* The Adviser relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser

and its Clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in each Client's operations. In addition, despite certain measures established by the Adviser and third-party service providers to safeguard information in these systems, the Adviser, Clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of each Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

*Valuation of Assets.* There is no established market for Investments. The value of Investments will not be subject to verification through the price transparency that typically results from secondary market trading. When estimating fair value, the Adviser will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective Investments. However, there can be no assurance that the Adviser will have all the information necessary to make valuation decisions in respect of Investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the Adviser with respect to an Investment will represent the value realized by a Client on the eventual disposition of such Investment or that would, in fact, be realized upon an immediate disposition of such Investment on the date of its valuation. Additionally, the exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and calculation of Management Fees.

*Effects of Health Crises and Other Catastrophic Events.* Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations of the Adviser and other service providers, including functions such as trading and valuation could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

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**Item 9. Disciplinary Information**

This Item is inapplicable.

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**Item 10. Other Financial Industry Activities and Affiliations**

The Adviser has entered into a services agreement with the Tech Affiliate, which is currently developing and may license technology to certain residential fintech companies to which the Adviser makes Investments. The licensed technology may include workflow management tools, valuation and risk management tools and analytics. The Tech Affiliate is controlled by the same principals that control the Adviser.

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

### ***Code of Ethics***

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its employees to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting Danielle DePalma (Chief Compliance Officer) by email at [danielle@setpoint.io](mailto:danielle@setpoint.io), or by telephone at 917-842-9754. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s employees.

The Adviser and its employees may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment.

The Adviser, or its related persons, in the course of their investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its employees have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other *person*, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to *persons* who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

### ***Client Transactions in Securities where Adviser has a Material Financial Interest***

The Adviser’s related persons, as principal, may buy securities from (or sell securities to) the Clients. This practice may create a conflict of interest because the related person has an incentive to buy securities from (or sell securities to) Clients based on its own financial interests, rather than solely the interests of a Client. In situations where a related person of the Adviser is purchasing or selling securities to a Client of the Adviser, the Adviser 1) shall ensure that the Client has prospectively consented in writing to such trade, and 2) shall send to each Client an annual written disclosure statement regarding such transactions.

Also, as further discussed in Item 16, the Adviser’s Clients may, from time to time, enter into transactions and short term loans with one another. Such transactions and loans will be performed on an arm’s length basis and subject to the Adviser’s policies and procedures on cross transactions.

### ***Investing in Securities Recommended to Clients***

In addition, the Adviser or the Adviser’s related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser recommends to Clients. Such related persons may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its Clients with respect to that same security. Such practices present a conflict when, because of the information an Adviser has, the related persons are in a

position to trade in a manner that could adversely affect the Adviser's Clients (e.g., place their own trades before or after Client trades are executed in order to benefit from any price movements due to the Clients' trades).



***Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.***

As investment adviser to the Clients, the Adviser has been granted the discretionary authority in the relevant Governing Documents to determine which securities and what quantities of such securities are to be bought and sold.

For transactions in which the services of a broker-dealer are deemed to be necessary or beneficial, the Adviser is also authorized to select the broker-dealer to be used and the commission rates to be paid. To date, no transactions have required the use of a broker-dealer.

***Best Execution.*** Best execution has been defined as the “execution of securities transactions for Clients in such a manner that the Client’s total cost of proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, and the value of any research, financial responsibility and responsiveness. To the extent applicable, the Adviser will apply the best execution responsibility across all Clients consistently.

***Broker Analysis.*** The Adviser will evaluate a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These will include, among other factors, the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving the Adviser.

The Adviser’s investment professionals shall be responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for our Client accounts to ensure consistent quality executions. In addition, the Adviser will periodically review its transaction costs in light of current market circumstances and other relevant information.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend investments in these private funds as investments to the Clients of the broker-dealer. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

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**Item 13. Review of Accounts**

*Frequency and Nature of Review.* Each Client account is reviewed by the Adviser's portfolio manager on an ongoing basis. Matters reviewed include adherence to investment guidelines and the performance of each Client account in light of the current investment environment.

*Factors Prompting a Non-Periodic Review of Accounts.* Significant market events affecting the prices of one or more securities in Client accounts, changes in the investment objectives or guidelines of a particular Client, or specific arrangements with particular Clients may trigger reviews of Client accounts on other than a periodic basis.

*Content and Frequency of Regular Account Reports.* Each Client account will be furnished audited financial statements annually. On quarterly basis, all Client accounts will be furnished with unaudited financial statements of the applicable Client. Such reports may be delivered electronically to the Client in accordance with the Clients' agreements with the Adviser.

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**Item 14. Client Referrals and Other Compensation*****Compensation to Non-Supervised Persons for Client Referrals***

The Adviser compensates third-party solicitors or other promoters for referrals of Clients or private fund investors. The Adviser's arrangements with third-party solicitors or other promoters may vary. Any compensation paid pursuant to these arrangements creates an incentive for the third-party solicitor or other promoter to recommend the Adviser, resulting in a material conflict of interest.

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**Item 15. Custody**

The Adviser and its affiliates are deemed to have custody of the assets of pooled investment vehicles and intend to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the pooled vehicle annual audit provision.

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**Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to Clients.

Prior to assuming full discretion in managing a Client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary Client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among Clients: (i) a Client's investment objectives and strategies; (ii) risk profiles; (iii) tax status; (iv) restrictions placed on a Client's portfolio by the Client or by applicable law; (v) size of the Client account; (vi) total investment position in the portfolio; (vii) nature and liquidity of the security to be allocated; (viii) size of available position; (ix) supply or demand for a security at a given price level; (x) current market conditions; (xi) account liquidity, account requirements for liquidity and timing of cash flows; and (xii) any other information determined to be relevant to the fair allocation of investment opportunities.

The Adviser may effect cross transactions between discretionary Client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions, including with respect to a decision to enter into such transactions and with respect to valuation, pricing and other terms. Because the Adviser represents the interests of both the seller and the buyer in a cross transaction, Clients for which the Adviser executes cross transactions bear the risk that other Clients in the cross transaction will be treated more favorably. The Adviser will only engage in a cross transaction between Clients when the Adviser has determined that the cross transaction is in the best interest of each Client.

The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

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**Item 17. Voting Client Securities**

Given the nature of investments made by the Adviser, it is unlikely that the Adviser or its Clients will ever see a proxy or shareholder communication. However, if the Adviser were to be delegated proxy voting authority on behalf of its Clients, the Adviser would comply with proxy voting policies and procedures that are designed to ensure that in the cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of each Client.

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**Item 18. Financial Information**

This Item is not applicable.

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**Appendix: Item 2. Material Changes**

This Item is not applicable as this is the Adviser's initial Form ADV Part 2A.

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