



Item – 1 – Cover Page

IMPACT Investment Adviser LLC

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March 25, 2024

This Brochure provides information about the qualifications and business practices of IMPACT Investment Adviser LLC (“IIA”).

If you have questions about the contents of this Brochure, please contact IIA at 415-981-1074. 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.

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

Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item – 2 – Material Changes

There have been no material changes to the Brochure since the last annual updating amendment, which was on March 24, 2023.

Important Note about this Brochure

This Brochure is not:

- ***An offer or agreement to provide advisory services to any person;***
- ***An offer to sell interests (or a solicitation of an offer to purchase interests) in any privately offered investment fund or other pooled investment vehicle (each a “Fund”);***
- ***An offer to enter into any separately managed account (a “Separate Account”, including funds of one or other special purpose vehicles, in which case, where relevant herein, such Separate Accounts are referred to herein as “Separate Account SPVs”); or***
- ***A complete discussion of the features, risks or conflicts associated with any Fund or Separate Account SPV advised by IIA.***

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), IIA provides this Brochure to current and prospective clients and can also, in its discretion, provide this Brochure to current or prospective investors in clients, together with other relevant documents applicable thereto including but not limited to the Constituent Documents (as defined in Item 4, below), prior to, or in connection with, such persons’ investment in the applicable client. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes IIA’s investment advisory services and products, persons who receive this Brochure (whether or not from IIA) should be aware that it is designed solely to provide information necessary or appropriate to respond to disclosure obligations under the Advisers Act. As such, the information in this Brochure differs from information provided in the Constituent Documents. To the extent that there is any conflict between discussions herein and similar or related discussions in any such Constituent Documents, such Constituent Documents shall govern and control.

No offer or solicitation for an investment in a Fund will be made before the delivery of the offering memorandum to potential investors who should read the offering memorandum carefully and consult with their tax, legal and financial advisors before making any investment decision.

Throughout this Brochure, “Clients” refers to clients to whom IIA provides (or will in the future provide) discretionary or non-discretionary investment advisory services and “investors” refers to underlying investors in the Client.

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Item – 4 – Advisory Business

Overview. IIA’s mission is to provide a platform for private investment capital to bolster lower income communities and meet the needs of institutional investors seeking to make prudent and productive investments. IIA focuses on identifying, developing and managing institutional investments that it believes can be made in scale and create positive social impact. IIA’s investments are designed to generate competitive risk-adjusted returns for institutional investors while achieving social impact objectives.

IIA’s investments have helped finance the construction of affordable housing, healthcare facilities, childcare centers and the growth of small businesses. The investments are intended to benefit low-income individuals, families and communities throughout the United States. IIA’s investments have also helped finance the restoration of historic buildings, facilitated real estate development in low-income areas and supported the growth of small-to-medium sized businesses to create or retain jobs in capital-starved communities. To date, IIA’s investors have invested approximately \$2.5 billion for impact investments in 42 states plus the District of Columbia.

IIA is a Delaware limited liability company that is a wholly-owned subsidiary of IMPACT Community Capital LLC (“IMPACT”). IMPACT has been a pioneer of socially responsible investing since 1998 and is owned by a consortium of eight U.S. insurance companies (six companies are voting class members and two companies are non-participating members). IMPACT has a Member Representative Board (“Board”) that oversees the activities of IMPACT and IIA, and each voting class member appoints one member representative to serve on the Board. The Board has three Committees: Audit; Executive Compensation; and Nominating and Governance.

The owners of IMPACT are often, in varying combinations, investors in IIA’s Clients, but should not be expected to invest in every Client.

Advisory Services. IIA identifies opportunities for investment and offers institutional clients the opportunity to invest through Funds and Separate Accounts.

Each Fund or Separate Account follows an established strategy and invests in accordance with a specific investment mandate (*i.e.*, the investment objectives, parameters and restrictions applicable to IIA’s management). Investment mandates for Separate Accounts can be tailored to the individual needs of the Client, consistent with IIA’s investment strategies, including through the imposition of reasonable restrictions. In contrast, a Fund’s investment mandate is generally not tailored to the individualized needs of any particular investor; investors will be subject to the various risks described in the Constituent Documents (as defined below) and should determine whether such Fund meets their investment objectives and risk tolerance prior to investing. While IIA can discuss a Fund’s proposed investment mandate with investors, IIA’s discussions with current and prospective investors are not intended as advice that such an investor or prospect should take any particular action with respect to a Fund. Current and prospective investors should be aware that an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and IIA.

IIA's Investment Strategies. IIA's investment strategies are available through Funds (and, in some cases, Separate Accounts). The Funds are real estate and investment funds whose securities are generally privately-placed and exempt from registration under the Securities Act of 1933, as amended ("Securities Act"). Each Fund is expected to be excepted from the definition of an investment company under the Investment Company Act of 1940, as amended ("Investment Company Act"). Separate Accounts are generally expected to take the form of a special purpose vehicle ("SPV") or fund-of-one. Separate Account Clients (or the owner of an SPV) can also be offered the opportunity to invest in one or more Funds or other investment vehicles but are not guaranteed to be notified of, or able to invest in, any particular opportunity.

While some strategies invest in real estate related interests, the impact objective and investment approach differs for each, as described below:

Affordable Housing Strategy ("AHS"). Accounts following the AHS seek to finance the development and preservation of affordable multifamily housing in low income and financially underserved communities ("Developments"). For long term mortgage loans, the AHS typically provides approximately 24-month forward commitments to purchase the mortgage loans from the originators upon construction completion and development stabilization. For long term mortgage loans, an evergreen Fund that is managed using the AHS ("Evergreen Fund") relies on a revolving line of credit ("Credit Line") provided to its SPV parent company by certain U.S. insurance companies ("Consortium") to fund the purchase of the mortgage loans. Once the Developments are completed and stabilization criteria are satisfied, the Evergreen Fund draws on the Credit Line to purchase the mortgage loans from the originators. To maintain a continuing source of funds and to pay down the Credit Line, the Evergreen Fund pools and securitizes these mortgage loans and offers them for sale (i) through an affiliate to qualified institutional buyers in private transactions and/or (ii) in other private sale transactions, including to other Clients and IIA or its affiliates.

Certain Funds that use the AHS also use mortgage loan securitizations to exit their investments, and may invest in certain certificates issued in connection with such securitizations. The members of the Consortium are also, through an SPV, indirect investors in the Evergreen Fund. Certain Clients invested in the Evergreen Fund can also invest in short-term mortgage loans backed by existing affordable housing properties. A Fund investing in these short-term mortgage loans enables borrowers to acquire the affordable housing property while they complete the permanent loan process with government housing agencies, thereby preserving the affordable housing units. The short-term mortgage loans are secured by stable properties that are currently substantially (but not necessarily fully) occupied.

Smart Growth Strategy. This strategy is followed by Smart Growth Fund ("SGF"), a fund of funds that makes equity investments in a master fund offering diversified pools of commercial real estate projects in low- and moderate-income communities. Currently, SGF's sole investment is in an unaffiliated fund that targets equity investments that are both urban and smart growth in nature.

Impact Aligned Fixed Income Strategy. This strategy invests in public fixed income securities, primarily municipal bonds and government agency securities, that finance projects that IIA expects will have a positive impact on low-income communities, such as infrastructure, child care, education, health care and housing. The strategy utilizes a bottom-up research approach to identify issuers of fixed income securities that IIA expects will produce a high impact on such communities. From these issuers, individual investments are selected that have a strong credit rating, have the potential to produce market rate returns, and provide a diversification within the investors account, as determined by IIA. IIA utilizes a proprietary process to evaluate an issuer based on its potential to impact low-income communities. This process utilizes both objective and subjective factors analyzed by IIA. Securities could be deemed suitable for investment even if the issuer does not operate in accordance with all factors considered by IIA. Those that have high relative impact scores and deemed by IIA not to be overvalued are selected for the portfolio, subject to Client investment objectives and guidelines.

Potential Future Activity. Without prior consultation with any Client, Fund or investors in a Fund, IIA can provide discretionary investment management services as an investment adviser to additional private pooled investment vehicles that are offered to investors on a private placement basis, or to Separate Accounts, on a discretionary or non-discretionary basis using any of the above strategies or other strategies that IIA develops from time to time. These Clients could have investment objectives that are the same as, similar to or overlapping with those of one or more existing Clients.

Client Constituent Documents. More information about IIA's advisory services is available in each Client's Constituent Documents, which can include: (i) limited partnership agreement or limited liability company operating agreement for a Fund or Separate Account SPV; (ii) an offering document for a Fund; (iii) an investment management agreement or (iv) where applicable, any side letters, administrative agreements and other fee and expense related agreements between the Clients (and/or its investors) and IIA (collectively "Constituent Documents"). Clients and investors should read the Constituent Documents applicable to their relationship carefully before investing with IIA.

Assets Under Management. As of December 31, 2023, IIA had approximately \$612 million in assets under management, all on a discretionary basis.

Item – 5 – Fees and Compensation

Management Fees

IIA receives management fees from Clients. The specific payment terms and other conditions of these management fees are set forth in the Constituent Documents. Management fees are generally based on a fixed percentage of (i) capital commitments; (ii) the invested amount of capital commitments; or (iii) the par or market value of a Client's assets under management, as applicable. Management fees vary and are based on a number of factors including investment mandate, services performed and account size.

Management fees generally are payable to IIA on a quarterly basis and are calculated according to the terms of the Constituent Documents. For Funds, the management fee is typically debited from the Fund's assets, and can be payable either in arrears or in advance. Separate Accounts typically pay fees directly to IIA, without such debiting, subject to the terms of the applicable investment management agreement.

Management fees for the Funds are set forth in the Fund's Constituent Documents and are not negotiable unless, IIA enters into side letters with respect to any investor's fees. For Separate Accounts, management fees can be negotiable and are expected to vary from Client to Client. Each Client's Constituent Documents govern how an advisory relationship with IIA can be terminated. For Separate Accounts, most investment management agreements will allow for termination by either party on thirty days' notice. Termination of a Fund by its investors is generally not expected and the ability of an investor to redeem its interests is generally limited by the Constituent Documents and can vary from Fund to Fund. In the event a Client pays management fees and the investment management agreement is terminated prior to the end of a billing period, IIA will promptly return any prepaid but unearned management fees and otherwise account for and return all other client-related funds net of any reimbursed expenses due IIA. Conversely, if fees are paid in arrears, the Client will owe a prorated management fee upon termination.

In some cases, fees are paid through an affiliate of IIA pursuant to the applicable Constituent Documents.

Expenses

In addition to management fees, each Client (or investor in a Client, as applicable) pays or otherwise bears a variety of other fees, costs, obligations, liabilities and expenses (collectively "Expenses") incurred in connection with IIA's management. Not all Clients are subject to the same Expenses. Each Client's Constituent Documents include information with respect to the Client's Expenses but, where relevant and unless provided to the contrary in the Constituent Documents, all Clients should expect to be subject to the following Expenses.

Services related to the Expenses described below will sometimes be performed or provided by IIA, IMPACT, or their respective affiliates, while in other cases, they will be performed by persons or entities associated with the Client (e.g., the managing member or general partner of a Fund or Separate Account SPV, which could also be IIA or an affiliate), while in yet other cases they will be performed or provided by third-parties (collectively "Providers"). Some Expenses are paid directly by the Client while others are paid or incurred by IIA or another Provider on the Client's behalf. Providers, including IIA, IMPACT or an affiliate, are entitled to reimbursement for any Expenses paid or incurred on behalf of Clients; however, IIA, IMPACT or an affiliate, can choose to not seek reimbursement for all or a portion of such Expenses. To the extent IIA has authority to select a Provider and IIA or an affiliate is capable of performing the relevant services, IIA has an incentive to select itself or an affiliate when doing so could result in relatively more compensation for IIA and its affiliates.

Expenses can include:

Organizational and Offering Expenses. Unless otherwise provided in its Constituent Documents, each Fund and Separate Account SPV will pay (and its owners will bear as investors) Expenses relating to the formation and organization of the Fund or Separate Account SPV and the offering and sale of its interests (collectively “Organizational Expenses”). Unless otherwise provided in its Constituent Documents, Organizational Expenses include, without limitation, the following:

- accounting fees;
- board and governance-related fees;
- capital raising fees;
- commissions and other brokerage fees;
- consulting and expert fees;
- legal and compliance fees;
- offering material preparation and printing fees;
- obtaining credit ratings from a nationally recognized statistical rating organization for notes issued by the Client;
- formation, organization and establishment of special purpose vehicles;
- regulatory and filing fees;
- placement and similar fees paid in connection with the offering of interests in the Fund; and
- travel-related fees excluding first-class or private travel.

Operating Expenses. Unless otherwise provided in its Constituent Documents, all Clients will pay or bear all Expenses incurred by or on behalf of the Client in connection with its operations (collectively “Operating Expenses”). Unless otherwise provided in its Constituent Documents, Operating Expenses include, without limitation:

- accounting, bookkeeping and recordkeeping fees;
- fund administration fees;
- auditing fees;
- banking fees;
- borrowing and indebtedness interest and fees, including guarantees, credit facilities, lines of credit and loan commitments;
- cloud storage and data center fees;
- computer software and hardware, technology, data and research fees;
- consulting fees;
- costs relating to maintaining credit ratings from a nationally recognized statistical rating organization for notes issued by the Client;
- custody and trustee fees;
- dissolution fees relating to the winding up and termination of Clients;
- drafting and filing fees and costs relating to reports, disclosures, filings and notifications of Clients, IIA and its affiliates to regulatory or governmental authorities;

- governmental judgements, settlements, fines, penalties, legal fees and costs relating to inquiries, investigations, proceedings and actions;
- insurance premiums for director and officer liability insurance, errors and omissions insurance, financial institution bond insurance and other insurance, including apportionment of IMPACT's group insurance policy;
- legal and compliance fees;
- loan servicing fees;
- management fees;
- meeting fees and costs relating to Board, Client and investor meetings;
- operating expenses of pooled investment vehicles (e.g., privately-placed investment or real estate funds) and special purpose vehicles acquired by Client accounts;
- placement agent fees;
- pricing service fees;
- valuation agent fees;
- preparation, printing, filing and delivery fees and costs related to reports, documents and filings provided to Clients and investors, including financial statements, investment reports, K-1s and tax returns;
- regulatory and filing fees;
- salaries and benefits of IMPACT personnel and IMPACT overhead attributable to services performed for Clients;
- taxes;
- transaction fees, costs and expenses related to discovery, evaluation, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of investments, including:
 - clearing and settlement fees;
 - collateral management fees;
 - commissions and other broker-dealer related fees;
 - commitment fees;
 - conference fees relating to investments and business sectors;
 - custodial and trustee fees;
 - investment banking fees;
 - origination fees;
 - private placement fees;
 - unwind or breakage fees;
 - transaction fees;
 - travel-related fees excluding first-class or private travel;
 - securitizations; and
- extraordinary expenses, including but not limited to litigation costs and fees, including payment of judgements and settlements, and legal fees and costs relating to the investigation, prosecution, defense, judgment of any claim, arbitration, action and proceeding.

Sales Charges. In addition, IIA can engage or cause a Client to engage one or more placement agents (or similar persons) to market and sell interests in the Client to prospective investors. Any

sales charges will be disclosed in the Constituent Documents. In some cases, IIA could agree to reduce its management fees to the extent any placement fees are borne by a Client or its investors.

Brokerage Fees. In limited circumstances, Clients could incur brokerage and other costs related to portfolio transactions. Please see Item 12 below for further detail regarding brokerage fees and related transactional costs.

Shared Expenses. When IIA, IMPACT or an affiliate incurs or pays an Expense that relates to itself and more than one Client (a “Shared Expense”), to the extent such Expenses are incurred for more than one party, each party will typically bear an allocable portion of any such Expenses, generally in proportion to the size of its investment, the activity to which the expense relates or in such other manner as IIA considers fair and equitable under the circumstances. Because IIA and its affiliates have differential ownership interests in parties to whom a Shared Expense is allocable, IIA has an incentive to allocate relatively more of a Shared Expense to Clients in which IIA or its affiliates have lesser interests. Additionally, to the extent a Shared Expense relates to IIA or an affiliate, or an expense relates to multiple Clients, one or more of which have provisions in their Constituent Documents that do not permit such Expense to be borne by the Client (and/or to IIA or an affiliate), IIA has an incentive to allocate relatively more of the Shared Expense to Clients who are permitted to bear the Expense; because IIA or an affiliate would bear any portion of an expense that is allocated to itself or to a client that is not permitted to bear the expense.

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

Performance-Based Fees. IIA and its affiliates expect to receive performance-based compensation (including carried interest) for IIA’s advisory services from certain Clients. A variety of conflicts of interest will arise in connection with the receipt of performance-based compensation by IIA and its affiliates. First, the receipt of performance-based compensation creates an incentive for an adviser to make more speculative investments than it might otherwise make in the absence of such performance-based compensation. Second, when certain of an adviser’s clients pay performance-based compensation while others do not, the adviser has an incentive to allocate its resources and investment opportunities that the adviser expects to be more profitable to Clients that pay performance-based compensation. To align the interests of IIA’s portfolio managers with Clients, a component of the portfolio manager compensation could be based on the investment performance of Client accounts. Accordingly, this compensation structure could create incentives for portfolio managers to make speculative investments on behalf of a Client account.

Side-by-Side Management. The type of compensation paid by Clients to IIA vary from Client to Client. The fees that Clients pay vary based on a number of factors, including but not limited to investment mandate, services performed, account size, whether the Client (or an investor in the Client) is an affiliate and the results of any negotiation as to fees. As a result, IIA has a similar incentive to dedicate increased resources and allocate more profitable investment opportunities and better investment ideas to Clients that are expected to be more profitable to IIA or that are affiliated with or have an economic interest in IIA. Because the indirect owners of IIA and direct owners of IMPACT are often, in varying combinations, investors in the Clients, IIA has an

incentive to favor Clients in which IIA and its affiliates have a greater pecuniary interest over Clients in which there is a lesser pecuniary interest.

IIA has adopted and implemented policies to mitigate conflicts of interest relating to the management of multiple Clients in which our and our affiliates' pecuniary interests vary (including as a result of investments by our owners or as a result of differential fee arrangements).

Item – 7 – Types of Clients

IIA provides real estate related and impact investment advice to the Clients. The minimum investments required to become or remain a Separate Account Client of IIA or an investor in a Fund, if any, are stated in the Clients' Constituent Documents.

Investors in the Funds must meet certain suitability and net worth qualifications such as being an "accredited investor" as defined by Regulation D under the Securities Act, a "qualified institutional buyer" ("QIBs") as defined by Rule 144A under the Securities Act, or a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act. Personnel who are "knowledgeable employees" as defined in Rule 3c-5 under the Investment Company Act, could invest in a Fund depending on the applicable Fund's eligibility requirements as set forth in its Constituent Documents. Owners of Separate Accounts will generally also meet one or more of these same standards.

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

Methods of Analysis and Investment Strategies

The following is a summary of the investment strategies and methods of analysis generally used by IIA on behalf of Clients. IIA's current investment strategies are included in Item 4 and the investment strategy applicable to each Client is generally set forth in more detail in the Client's Constituent Documents. Investment strategies for Separate Accounts are agreed upon during the onboarding process and can be altered as agreed by IIA and the Client. IIA could, in the future, offer other investment strategies, or make investments in accordance with an investment strategy described in this Brochure, that IIA considers appropriate in accordance with the Client's investment objective and guidelines, but which are not described herein. There can be no assurance that the investment objectives of any Client will be achieved.

Although the specific investment mandate of each Client can vary, IIA's objective in each case is to identify, develop and manage investments and investment strategies that are designed to generate competitive risk-adjusted financial returns while having a positive impact on low-income persons, families and communities. Social responsibility is an integral part of IIA's investment strategies, and potential long-term positive social benefits are also considered when making investment decisions.

IIA's impact investment strategies include direct and indirect investments in real estate and real estate related assets. In addition, IIA's investment strategies include pooling and securitizing

mortgage interests and selling such securitized interests and, in certain cases, investing in certain tranches of the securitized interests. In the affordable multifamily housing sector, IIA works with financial institutions that IIA believes to have proven origination capabilities and an established presence in the real estate market to identify potential investments for Clients. IIA evaluates new investments based on market and project data provided by the originating institution, as well as a variety of private and public sources. In formulating its investment decisions, IIA typically considers various factors, including market demographics, project metrics and sponsor experience and financial strength. Market demographics include cost of living indicators, recent comparable real estate sales, expert reports (*e.g.*, appraisals, property inspections and environmental reports), current inventory, current construction activity, and economic indicators for the local economy. Relevant project metrics can include loan size, property value, development cost, loan to cost ratio, discount to market rents, occupancy rates for similar developments and demonstrated product demand. Sponsor experience includes track record with similar types of developments, track record in the proposed market geography, total number of units under management, performance of these units, developer liquidity and net worth. The results of IIA's analysis informs the investment decision and influences transaction structuring and documentation.

In considering potential investment opportunities, IIA can utilize various analytical methods in seeking to achieve a thorough and in-depth assessment of the potential investments. IIA's valuation process involves a review of different valuation metrics, including loan-to-value ratio, loan-to-cost ratio, discount-to-market rent and debt service coverage ratio. With respect to investments in affordable housing mortgage loans generally, including long-term mortgage loan investments purchased by AHS accounts, IIA reviews an 18-year cash flow model prepared by the originator. This model seeks to measure trends in revenue and expense growth based on accepted industry underwriting practices and local economic conditions. The model is used to confirm whether the development meets established debt service requirements on a *pro forma* basis and to help IIA evaluate refinance risk.

For certain Clients, rather than investing directly in real estate assets or debt, IIA invests in privately-placed real estate and investment funds and other investment vehicles that are managed by unaffiliated third-parties. IIA seeks funds whose managers generally have compelling competitive market advantages, established performance track records and attributes that IIA believes are necessary for long-term organizational stability. IIA screens managers through quantitative and qualitative manager assessments, detailed portfolio analysis and can make onsite visits to evaluate the manager's deal sourcing strategy, due diligence methodology, and ability to negotiate appropriate investment terms and conditions. IIA's due diligence could include an analysis of the historical returns, average holding periods, investment styles and risk profiles of the managers' current and former investment vehicles. IIA can also initiate interviews with current and former investors and other stakeholders to independently confirm information and to evaluate the manager's reputation for professional and ethical behavior. Prior to making investments in a fund, IIA generally will negotiate the reporting and data analysis requirements to track both the financial and impact components of the investments.

If and to the extent permitted in a Client's Constituent Documents, IIA can enter into credit arrangements on behalf of the Client to borrow money for financing purposes, to make forward investment commitments and to leverage the Client's investments. As noted above, the SPV parent

company of the Evergreen Fund has entered into a revolving line of credit with certain lenders, that are also owners of IMPACT and investors in that Fund.

For certain Clients, IIA can (but is not required to) employ hedging techniques designed to reduce the risks of adverse movements in interest rates and securities prices. IIA can also utilize leverage and pursue additional opportunistic investment strategies on behalf of Clients, consistent with the investment objectives set forth in the Clients' Constituent Documents.

Risk of Loss

IIA's investment strategies involve a significant degree of risk that Clients and investors should be prepared to bear. The discussion below describes the primary risks associated with IIA's investment activities. However, it is not possible to identify all of the risks associated with investing, and the particular risks applicable to a Client will depend on the nature of the Client, its investment strategy or strategies and the types of investments held.

While IIA seeks to manage each Client's assets in a manner that is appropriate to the return potential for the Client's strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Additionally, Clients and investors should understand that IIA principally invests, directly or indirectly, in real estate related investments which are generally not intended to be diversified by asset type. Similarly, the Funds and Separate Accounts are generally not intended to provide a complete investment program and IIA expects that the assets it manages do not represent all of an investor's assets.

Investors are responsible for understanding IIA's investment activities for the relevant Fund or Separate Account, so that they can (if they so choose) appropriately diversify their own assets to guard against the risk of loss of their investment with IIA, which could include the loss of all capital invested. As the following is intended only as a summary of the principal risks associated with IIA's investment activities generally, it is important to consult the relevant Constituent Documents for a more complete and specific discussion of the risks associated with any particular Fund or Separate Account.

All Investments Involve Risk. Investing involves a risk of loss, including potential loss of the entire investment, that investors should be prepared to bear. IIA's investment strategies also carry some degree of legal, tax and regulatory risk.

Affordable Multifamily Housing Properties Risk. Mortgage loans can be secured by affordable multifamily housing properties. Multifamily housing developments are part of a market that, in general, is characterized by low barriers to entry. As a result, rental markets with historically low vacancies could experience substantial new construction and an oversupply of units, in a relatively short period of time. Since multifamily housing units are typically leased on a short-term basis, tenants within such a market could move to newer developments with better amenities. In addition, occupancy and rent levels could be adversely affected by unfavorable economic conditions generally, closings of major (or significant) employers, and national and local politics, including current or future rent stabilization and rent control laws and agreements.

Collateral and Borrower Risk. The value of the underlying collateral, the creditworthiness of borrowers and the priority of liens are of great importance in determining the values of the loans. The value of the collateral securing mortgage loans is based on real estate appraisers or estimates of value by licensed real estate brokers. The property values can include information and assumptions provided by the borrowers and estimates and assumptions developed with respect to the appraisals or brokers' opinions of value. Actual values might, therefore, vary from such estimates, and the variations can be material. No guarantees can be made regarding the adequacy of the collateral securing the mortgage loans or interests in such loans. In addition, the liquidation proceeds upon the sale of such loans might not satisfy the entire outstanding balance of principal and interest on the foreclosed loans, resulting in losses to lenders. Lenders can be exposed to losses resulting from changed circumstances, and default or foreclosure of mortgage loans or interests in such loans. To the extent that the loan is in default or foreclosure, these risk factors are amplified. Any costs or delays involved in the effectuation of loan foreclosures or liquidation of the assets collateralizing the loans can further reduce the liquidation proceeds and increase lender losses (See "Foreclosure of the Mortgaged Properties Risk" and "Valuation Risk" below).

Risk Related to Competition for Real Estate Investments. Managers that invest in real estate related interests operate in a highly competitive market for investment opportunities, and such competition can limit a manager's ability to acquire desirable investments in target communities. Investor performance is dependent, in large part, on the manager's ability to originate or acquire investments on attractive terms. IIA competes with a number of real estate companies and investment managers that are significantly larger with considerably greater financial, technical, marketing and other resources. Certain competitors could also have a lower cost of funds and access to funding sources that are not available to IIA, such as the U.S. Government. In addition, IIA's competitors can have higher risk tolerance or different risk assessments that could allow them to consider a wider variety of investments, deploy more aggressive pricing and establish more relationships than IIA.

Credit Risk. Debt instruments are subject to credit risk. Credit risk refers to the likelihood that borrowers will default on the payment of principal or interest on mortgage loans or other debt instruments. Financial strength and solvency of the borrowers are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancements for debt instruments could affect credit risk. Credit risk could change over the life of debt instruments. The value of a debt instrument could decline because of concerns about the borrower's ability to make principal or interest payments.

Economic and Financial Cycle Risk. Economic and financial cycles pose inherent risks on the real estate market. At various points in recent history, the real estate and securitization markets, as well as global financial markets and the economy generally, have experienced significant dislocations, illiquidity and volatility. In recent years, the Federal Reserve has raised interest rates from historically low levels as a reaction to price inflation in the economy. Any additional increase to the federal funds rate could cause rates across the financial system to rise. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and may detract from Client performance. Inflation could cause present value of, or income from, a Client's investments to be less in the future as inflation decreases the value of money. In contrast, deflation could have an adverse effect on the creditworthiness of issuers and may make issuer default more

likely, which could result in a decline in the value of a Client's investments. The risk of a recession resulting from exigent circumstances, many of which are not predictable can result in downward pressure on real estate values. Increased operating and borrowing costs can also put pressure on the performance and value of commercial and multifamily real estate and hinder the financing and refinancing of those properties. The lack of credit liquidity, correspondingly higher mortgage rates and declines in the value of commercial and multifamily properties can prevent commercial mortgage and multifamily property owners and borrowers from refinancing their mortgages and might adversely affect the ability of a borrower to perform on its loan obligations. Defaults, delinquencies and losses can further decrease property values, resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of investments in mortgages. As a result of these factors and conditions, weakness, illiquidity, volatility and other dislocations in the market could reoccur or become more severe.

Interest Rate Risk. The value of fixed interest rate mortgages and other debt instruments generally has an inverse relationship with future interest rates. Accordingly, when interest rates rise, the value of such debt instruments could decline. In addition, to the extent that the receivables of loans underlying specific financial instruments can be prepaid without penalty or premium, the value of such financial instruments can be negatively affected by prepayments (which tend to occur more frequently as interest rates decline).

Uncertainty and Emerging Global Events. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial and real estate markets, even in established markets such as the United States. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with: increased volatility; greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); further social, economic, and political instability; greater governmental involvement in the economy or in social factors that impact the economy; less governmental supervision and regulation of markets and market participants; controls on foreign investment, capital controls and limitations on repatriation of invested capital; inability to purchase and sell investments; substantial, and in some periods extremely high, rates of inflation; recessions; and difficulties in obtaining and/or enforcing legal judgments. Lower-income persons, families and communities are often the first to suffer from these effects and can take longer to recover from them. Because IIA seeks to invest (directly or indirectly) in developments that IIA believes will benefit low-income persons, families and communities, any of these events could cause the value of a Client's portfolio holdings to decrease, often substantially.

Events such as health pandemics or outbreaks of disease or armed conflicts globally may lead to increased short-term market volatility and may have adverse long-term effects on the U.S. and world economies and markets generally. For example, the U.S. capital markets experienced disruption from the recent global outbreak of COVID-19. Such disruption was evidenced by volatility in global stock and commodities markets. In addition, the COVID-19 pandemic caused supply chain failures and delays and resulted in a number of government interventions into matters such as rent relief and stays on evictions. The performance of Client investments could be negatively impacted by market-impacting events as described above, any of which could have a negative impact on the value of a Client's investments.

Any of the forgoing events could also have an effect on the ability of borrowers to obtain credit and lenders to lend and construction and housing markets, any of which may affect the value of a Client's investment. Those events as well as other changes in U.S. and non-U.S. economic and political conditions also could adversely affect interest rates, credit ratings, borrower and lender appetites and other factors affecting the value of a Client's investments. At such times, a Client's exposure to a number of other risks described elsewhere in this section can increase.

Clients will also be negatively affected if the operations and effectiveness of IIA or key service providers are compromised or if systems and processes necessary or beneficial to the management of portfolios are disrupted by these events or the uncertainty that these events often cause.

Environmental Liabilities Risk. Under various federal, state and local laws, ordinances and regulations, owners or operators of real property could become liable for the costs of removal or remediation of certain hazardous substances released on, about, under or in its property. Environmental laws often impose this liability without regard to whether the owners or operators knew of, or were responsible for, the release of hazardous substances. The presence of hazardous substances, or the failure to remediate hazardous substances properly, could adversely affect the value of the properties. In the event of foreclosures, the value of collateral could be insufficient to satisfy the entire outstanding balance of principal and interest on the foreclosed loans, resulting in losses to lenders. In addition, some environmental laws can create liens of varying priority on contaminated property in favor of the government for costs it incurs related to the contamination.

Impact Investing Risk. Applying impact criteria involves a subjective assessment and could change over time. The application of impact criteria could affect a Client's exposure to certain sectors or types of investments, and could impact the Client's relative investment performance depending on whether such sectors or investments are in or out of favor in the market. An investment's impact performance or IIA's assessment of such performance or impact assessment can change over time, and whether an investment is an impact investment can change over time and an investment may not achieve target impact goals. In evaluating an investment, IIA is dependent upon information and data that could be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the impact factors relevant to a particular investment. Successful application of the Client's impact investment strategy will depend on IIA's skill in properly identifying and analyzing material impact factors.

Foreclosure of the Mortgaged Properties Risk. Mortgage loans are typically secured by liens on the mortgaged properties. In the event revenues generated by the operations of properties are not

sufficient to pay debt service on the mortgage loans or in the event balloon payments cannot be paid by the borrower in full when due, or upon any other mortgage loan events of default, the mortgages can be foreclosed. Foreclosure is an expensive and lengthy process that can lead to a significant delay in the recovery by the lenders of amounts owed under the mortgage loans. Furthermore, there can be no assurance that the net proceeds realized from foreclosures on the mortgages, after payment of all foreclosure expenses, will be sufficient to pay the principal, interest and other expenses, if any, which are due under the mortgage loans.

Geographic Concentration of Mortgage Loans Risk. Mortgage loans on income producing properties could be concentrated in specific states or regions. Declining economic conditions in these locations can affect the ability of borrowers to repay their mortgage loans on time. Properties in certain jurisdictions can be more susceptible than properties located in other parts of the country to certain types of uninsurable hazards, such as earthquakes, floods, hurricanes, wildfires, mudslides and other natural disasters. Declines in the real estate market of a particular jurisdiction could reduce the values of properties located in that jurisdiction, which would result in an increase in the loan-to-value ratios, and such declines could spread to neighboring jurisdictions.

Hedging Risk. A hedge is a transaction intended to reduce or eliminate losses associated with a portfolio holding or market to which a portfolio has exposure, including interest rate exposure. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge will be greater than gains in the value of the positions of the portfolio. Hedging techniques can involve a variety of derivatives, including interest rate swaps and other interest rate transactions. The costs associated with the hedging techniques that IIA can employ can be significant, whether or not the hedging strategy is successful. Hedging techniques often require posting significant cash or other collateral. Hedging transactions, to the extent they are implemented, will not necessarily be completely effective in insulating portfolios from interest rate or other risks. Thus, while hedging is intended to reduce the potential for loss, it can also reduce or eliminate gains.

Investment Risk. The value of debt and equity securities, like other investments, can move up or down, sometimes rapidly and unpredictably, as a result of market volatility. Securities at any point in time could be worth less than the amount invested. Clients and investors are subject to investment risk, including possible loss of the entire principal amounts of their investments.

Lack of Skillful Property Management Risk. The successful operation of a real estate development depends upon the property manager's performance and viability. The property manager is responsible for responding to changes in the local market, planning and implementing the rental structure, operating the property and providing building services, managing operating expenses and assuring that maintenance and capital improvements are carried out in a timely fashion. Mortgaged properties deriving revenues primarily from short-term sources, such as short-term or month-to-month leases, are generally more management intensive than properties leased to creditworthy tenants under long-term leases. There can be no assurance as to the skills of any present or future property managers. In many cases, the property managers are affiliates of the

related mortgagor and can be unwilling to manage properties for non-affiliates. Additionally, there can be no assurance that the property managers will be in a financial condition to fulfill their management responsibilities throughout the terms of their respective management agreements.

Lending on Income-Producing Properties Risk. Lending on the security of income-producing real estate (such as affordable multifamily housing) is generally viewed by investors as exposing a lender to a greater risk of loss than lending on the security of single-family residences. Various factors, many beyond the control of the property owner, can negatively affect the ability of an income-producing real estate property to generate sufficient net operating income to pay debt service and/or to maintain its value. Among these factors are: economic conditions generally and in proximity to the development; the age, quality and design of the development and the degree to which it competes with other developments in the area; changes or continued weaknesses in specific industry segments; increases in operating costs; the willingness and ability of the owner to provide capable property management, and maintenance of credit for financing; and changes in interest rate levels that can adversely affect the value of a development without necessarily affecting the ability to generate current income.

Leverage Risk. Leverage increases the risk of loss on a Client's investment portfolio. Leverage could involve the use of borrowed capital in an attempt to increase the return on investments. The use of leverage can result in the portfolio's market value exposure being in excess of its net asset value. If IIA determines to leverage a Client's portfolio, the Client could need to liquidate positions when it is not advantageous to do so to satisfy its repayment obligations. The use of leverage creates a variety of risks including the potential for higher volatility, greater declines of a portfolio's value and fluctuations of dividends and other distribution payments.

Real Estate Concentration Risk. IIA's Clients invest a substantial portion of their assets (directly or indirectly) in real estate related interests. Strategies that invest substantial portions of their net assets in one sector or industry are more susceptible to adverse economic or regulatory occurrences affecting that sector or industry, such as changes in interest rates, loan concentration and competition, than strategies that are more diversified. Accordingly, an adverse development in the real estate sector or industry could significantly adversely impact Clients because they are not diversified across asset classes.

Real Estate Securities Risk. The risks of investing in real estate related securities (including interests in funds that invest in real estate or real estate securities) are similar to those associated with direct investments in real estate. Such risks include, without limitation, falling property values due to increasing vacancies or declining rents resulting from economic, legal, political or technological developments, limited diversification and sensitivity to certain economic factors, such as interest rate changes and market recessions. Privately-placed real estate securities are generally illiquid. Such illiquidity tends to limit the ability of real estate investors to respond to changes in economic or other conditions. There can be no assurance that downturns or prolonged adverse conditions in the real estate or capital markets or in the economy will not have a material adverse impact on Clients and investors.

Risks Related to Property Insurance. Although borrowers are required to keep or cause their mortgaged properties to be insured at all times against certain risks, there is the possibility of

casualty losses for which the insurance proceeds might not be adequate, or which could result from risks not covered by the insurance. Should an uninsured or underinsured loss occur, the borrower could lose its capital invested in, and anticipated profits from, the mortgaged property, and the borrower's ability to make interest and principal payments on the mortgaged loan could be adversely affected. In addition, the lender is relying on the creditworthiness of the insurers providing insurance with respect to the mortgaged properties. There can be no assurance that the borrowers have complied with, are complying with, or in the future will be able to comply the requirements to maintain adequate insurance with respect to the mortgaged properties or that the borrowers will be able to maintain insurance with insurers that meet the requirements of the loan documents. In addition, the loan documents can provide for certain types of insurance (including, without limitation, earthquake and flood insurance) to be required only at the lender's discretion, and the lender might not elect to require that borrowers obtain such insurance in all cases.

Valuation Risk. There could be no, or only a limited, liquid market for private mortgage loans, other private debt instruments and interests in private funds, and the fair value of such assets might not be readily determinable. There can be no assurance that the value assigned to a Client's investments at a certain time will accurately reflect the value that will be realized upon the eventual sale of the investments. A Client's performance can be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the debt instruments.

Short-term Financing Strategy. With respect to short-term mortgage loans, IIA anticipates that it will generally acquire short-term mortgage loans that are undergoing a permanent loan application process with the Federal Housing Administration in order to mitigate takeout risk at the end of the mortgage loan term. No assurance can be given that the short-term mortgage loans will be convertible into a more permanent, long-term financing; for reasons not always in IIA's control, such long-term financing might not occur, and such bridge loans could remain outstanding. In such event, the interest rate on such mortgage loans will not always adequately reflect the risk associated with the position taken by IIA.

Default and Foreclosure Risk. It is possible that IIA finds it necessary or desirable to foreclose on a mortgaged real property securing a mortgage loan. The foreclosure process is often lengthy and expensive, and could be adversely affected by the operation of state law governing the foreclosure process as well as other creditor's rights provided in the governing loan instruments. Inadequate documentation of loans or assignments of loans and erroneous or incomplete recordkeeping with respect to loans that were formerly securitized in loan pools can impair the IIA's ability to foreclose on collateral securing loans. Borrowers could resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against the owners of the loans. 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 could file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. In the event of the bankruptcy of a mortgage loan borrower, the mortgage 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 mortgage 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. Foreclosure litigation tends to create a negative public image of the mortgaged property and can result in disrupting the ongoing operation of the property.

Regulatory Risk related to Multifamily Rental Properties. Some of the multifamily rental properties that secure the mortgages can be subject to land use restrictive covenants or contractual covenants in favor of federal or state housing agencies. The obligations of the related borrowers to comply with such restrictive covenants and contractual covenants, in most cases, constitute encumbrances on the related mortgaged property that are superior to the lien of the related mortgage. In circumstances where the mortgaged property is encumbered by a regulatory agreement in favor of a federal or state housing agency, the borrower is generally required by the mortgage documents to comply with any such regulatory agreement. The covenants in a regulatory agreement could require, among other things, that a minimum number or percentage of units be rented to tenants who have incomes that are substantially lower than median incomes in the applicable area or region or impose restrictions on the type of tenants who can rent units, such as imposing minimum age restrictions. These covenants could limit the potential rental rates that can govern rentals at any of those properties, the potential tenant base for any of those properties or both. An owner could subject a multifamily rental property to these covenants in exchange for tax credits or rent subsidies. When the credits or subsidies cease, net operating income will decline. It cannot be assured that the foregoing requirements will not cause a reduction in rental income. If rents are reduced, it cannot be assured that the related property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses. In addition, restrictive covenants and contractual covenants contained in regulatory agreements could require a borrower, among other conditions, (i) to submit periodic compliance reports and/or permit regulatory authorities to conduct periodic inspections of the related mortgaged property, (ii) to meet certain requirements as to the condition of affordable units or (iii) to seek the consent of a regulatory authority in connection with the transfer or sale of the mortgaged property or in connection with a change in the property management. In some cases, regulatory agreements could provide for remedies other than specific performance of restrictive covenants. Such other remedies could include, but are not limited to, providing for the ability of a regulatory authority to replace the property manager. In addition, in some cases, regulatory agreements could impose restrictions on transfers of the mortgaged property in connection with a foreclosure, including, but not limited to, requiring regulatory authority consent and limiting the type of entities that are permissible transferees of the mortgaged property. It cannot be assured that the foregoing circumstances will not adversely impact operations at or the value of the mortgaged property, that such consent will be obtained in the event a federal or state housing agency has the right to consent to any change in the property management or ownership of the mortgaged property or that the failure to obtain such consent will not adversely impact the lender's ability to exercise its remedies upon default of a mortgage.

Mortgage Loan Securitization Risk. Bonds and certificates issued in securitizations ("Securitization Interests") of mortgage loans are subject to certain risks, including default risk, prepayment risk, liquidity and transferability risk, placement agent risk, concentration risk, among other risks, any of which could adversely impact a Client's performance. The yield to maturity on any Securitization Interests will depend on, among other things, the rate and timing of principal payments on the underlying pool of mortgage loans, including as a result of or as influenced by voluntary prepayments, casualties or condemnations at the related mortgaged real properties

securing the underlying pool of mortgage loans, loan extensions, defaults and liquidations, and the extent to which those principal payments are applied to reduce or otherwise result in a reduction of the outstanding principal balance of that interest. Securitization Interests will not be registered under the securities laws of any country, state or other jurisdiction, and will not be transferable other than in a transaction that is exempt from or otherwise does not require registration or qualification under applicable laws. In addition, it is possible that no secondary market for Securitization Interests will exist, and there can be no assurance that a secondary market for the Securitization Interests will develop. The liquidity of the Securitization Interests may also be affected by legal uncertainties and future unfavorable legal determinations. Therefore, a Client may bear the risk of holding the Securitization Interests to maturity. As payments and other collections of principal are made on the underlying pool of mortgage loans, a Client will be subject to more concentrated risk with respect to the diversity and characteristics of the underlying pool of mortgage loans and mortgaged real properties and with respect to the number and affiliation of borrowers. The interests offered with respect to Securitization Interests will represent interests solely in the issuing entity and the primary assets of the issuing entity will be a segregated pool of mortgage loans. Accordingly, repayment of the Securitization Interests will be limited to payments and other collections on the mortgage loans.

Business Continuity Risk. IIA relies on its information technology infrastructure and seeks to assure that it has competitive systems. However, information technology changes rapidly and IIA might be unable to stay ahead of advances. IIA or a service provider could be the target of a cybersecurity attack. To mitigate the risk of such an attack, a systems failure, or other potential business disruptions, including as a result of natural disasters, pandemics and similar events, IIA has adopted a business continuation strategy to maintain critical functions in the event of a significant business disruption, including a partial or total building outage affecting the firm's offices, the inability of personnel to get to the office or a technical problem affecting the firm's systems. Although the recovery strategies are designed to limit the impact on Clients from any business interruption or disaster, IIA's ability to conduct business could be curtailed by a disruption in the infrastructure that supports its operations and the regions in which IIA and its service provider's offices are located. Certain disruptions could arise that cannot be completely mitigated through a business continuity plan.

Technology and Cybersecurity Risk. Managers rely on information and technology systems to conduct their advisory businesses. Such systems could be subject to cybersecurity incidents or similar events that could potentially result in damage or interruption to these systems, unauthorized access to sensitive transactional and personal information, intentional misappropriation, corruption or destruction of data or operational disruption. As the use of technology has become more prevalent in the course of business, Clients have become potentially more susceptible to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events from outside threat actors or internal resources that could, among other things, cause a Client to lose proprietary information, suffer data corruption and/or destruction or lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Cyber security breaches could involve unauthorized access to a Client's digital information systems (e.g., through "hacking" or malicious software coding), and could come from multiple sources, including outside attacks such as denial-of-service attacks (i.e., efforts to make

network services unavailable to intended users) or cyber extortion, including exfiltration of data held for ransom and/or “ransomware” attacks that renders systems inoperable until ransom is paid, or insider actions. In addition, cyber security breaches involving a Client’s third-party service providers (including but not limited to administrators, custodians and vendors) or issuers in which a Client invests can also subject a Client to many of the same risks associated with direct cyber security breaches or extortion of company data. Moreover, cyber security breaches involving issuers in which a Client invests could adversely impact such issuers and cause the Client’s investment to lose value.

IIA has a cybersecurity policy, conducts regular cybersecurity trainings and has implemented certain technical and physical safeguards intended to protect the integrity of its information and technology systems. Nonetheless, there is no guarantee that efforts to prevent or mitigate the effects of such attacks or other attempts to gain unauthorized access will be successful. There is also a risk that cyber security breaches are not detected. A Client can suffer losses as a result of a cyber security breach related to the Client, its service providers or the issuers in which the Client invests. In addition, substantial costs could be incurred in order to prevent any cyber incidents in the future. (See also, “Business Continuity Risk”, above).

Item – 9 – Disciplinary History

There are no legal or disciplinary events that are material to a Client’s or prospective Client’s evaluation of IIA’s advisory business or the integrity of its management.

Item – 10 – Other Financial Industry Activities and Affiliations

As discussed in Item 4 above, IIA is wholly-owned by IMPACT, which is owned by a consortium of U.S. insurance companies, although no single insurance company controls IMPACT nor IIA. IMPACT’s Board oversees the activities of IMPACT and IIA, and the Board is composed of insurance company members that own the equity of IMPACT (“Members”). IMPACT’s Members are also investors in one or more Funds and could also maintain a Separate Account with IIA. Such interrelationships and conflicts of interest are discussed in Item 6, above, and are disclosed to investors in the Fund’s Constituent Documents, which prospective investors are encouraged to review prior to investing in a Fund. Certain of IMPACT’s Members also provide a revolving line of credit to the Evergreen Fund, to finance the Evergreen Fund’s investment activities, and could, in the future, provide similar lines of credit to other Funds or with respect to other Clients pursuing AHS or another strategy. These interests could cause IIA or the IMPACT Board Members appointed by the IMPACT Members that are also lenders on a revolving line of credit or that otherwise have a pecuniary interest in a Client, to favor Clients that are borrowers on such line of credit, or in which such IMPACT Members otherwise have a pecuniary interest, over other Clients.

Item – 11 – Code of Ethics, Participation of Interest in Client transactions and Personal Trading

Code of Ethics. IIA has adopted a Code of Ethics (“Code”) pursuant to SEC Rule 204A-1 under the Advisers Act for its and IMPACT’s officers and directors (or other persons occupying a similar

status or performing similar functions) and employees, as well as any other persons who provide advice on behalf of IIA and are subject to IIA's supervision and control (collectively, "Associates") that requires all Associates, among other things, to: act with integrity, honesty, competence and ethically; comply with applicable U.S. federal securities laws, as well as all other applicable laws, rules and regulations; and promptly report violations of the Code. All Associates are required to certify at least annually that they have read and understand the Code. Clients and prospective Clients can obtain a copy of the Code by contacting IIA at 415-981-1074. The Code includes:

- *Protection of Non-Public Information.* The Code includes policies and procedures reasonably designed to prevent and detect the misuse of material non-public information by Associates. These procedures require all Associates who believe they might be in possession of material non-public information to notify the Chief Compliance Officer ("CCO") who will determine the appropriate actions to be taken. When IIA is in possession of material non-public information, it is prohibited from acting on such information on behalf of a Client, even if such action could have benefited the Client. Conversely, if IIA chooses not to obtain material non-public information, such information could be valuable to other market participants that could act to the detriment of one or more Clients, or it might also not receive information that would not have impeded its ability to act and which could have resulted in a better decision on behalf of a Client.
- *Personal Investing.* The Code explains that certain Associates who have access to non-public information regarding any Client's purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, or who are involved in making securities recommendations to Clients or who have access to such recommendations that are non-public ("Access Persons"), owe a duty to Clients (i) to conduct personal securities transactions in a manner that does not interfere with Client transactions and (ii) to not enjoy a benefit at the expense of any Client or to otherwise take unfair advantage of their relationship with Clients. All Access Persons must report their securities transactions on a quarterly basis and disclose their holdings upon joining IIA and annually thereafter. Access Persons also must request pre-clearance before acquiring securities in an initial public offering or private placement.
- *Gifts and Entertainment.* The Code prohibits the acceptance (and extension) of excessive or extravagant gifts or entertainment in connection with IIA's business. Procedures include reporting of gifts or entertainment received (or offered), a dollar limit on gifts that can be accepted from any one source during a calendar year, and pre-clearance of certain entertainment.
- *Political Contributions.* Consistent with Rule 206(4)-5 under the Advisers Act, which is intended to protect against circumstances where political contributions and other activities that support political parties, candidates for public office, political action committees or political causes of an adviser or its personnel could improperly influence the award of an investment mandate, Associates are subject to specific limitations on political contributions and activities. Additionally, Associates are required to seek preclearance and approval for certain political contributions to, and hosted events for, current state and local government officials or candidates.

Participation or Interest in Client Transactions. IIA and its affiliates can invest in Clients, directly or indirectly, and accordingly might have economic interests that are comparable to the membership interests of other investors in the Clients. In some instances, IIA and its affiliates could be the first participants in such pooled investment vehicles and might be the only participants for one or more years until the Fund has attracted and admitted third-party investors (which is often beyond IIA's control). IIA treats these Funds the same as other Client accounts for most purposes. IIA and its affiliates could also participate in securities transactions in which Clients are or were invested. Certain Clients pool and securitize mortgage loans and could sell them to other Clients and IIA or its affiliates. IIA's affiliates and underlying owners can also provide credit facilities to certain Clients to finance their investment activities. IIA will disclose such conflicts of interest to Clients in the Constituent Documents and other disclosure materials.

Investment Allocations. In allocating investment opportunities between Clients, IIA will consider a variety of factors, including the investment guidelines, investment criteria or limitations set by IIA and the Clients. IIA will also consider other factors, including order sizes, account values, minimum allocation amounts, portfolio compensation, and commitment amounts (including leverage). In addition, IIA may use any other trade allocation methods that it deems appropriate, provided the methods are designed to achieve fair and equitable allocations of investment opportunities among Clients accounts over time. Certain Client accounts may have priorities or defined allocation rights with respect to certain investment opportunities.

In situations where an investment opportunity is appropriate for two or more Client accounts, IIA will generally allocate investments to its commingled vehicles, subject to their investment guidelines and other investment criteria or limitations set by IIA as it deems to be equitable in its discretion. Where two or more Funds are investing in the same asset, additional considerations will include, but not be limited to, the risk parameters of such vehicle, available capital and uninvested cash and the stage in the life cycle of such vehicle (including whether it is in its investment period, the expected maturity or ability to sell such asset will be in accordance with the final term of such vehicle). Allocations among Funds that are series investment vehicles (*i.e.*, successor Funds which closely replicate a prior Fund's strategy and are intended to be a succeeding Fund in such strategy) are expected to differ depending on the stage of life cycle of such vehicles and availability of capital or uninvested cash.

In addition, certain Clients can temporarily hold investments until another Client account is formed or funded and then sell such investments to the other Client account, as described below.

From time to time IIA could cause the Client to sell an investment to one or more other Clients at a market price, as determined by IIA through the use of its third-party valuation specialist, plus applicable expenses incurred by the selling Client. IIA will perform a such a transaction only when it complies with IIA's policies and procedures and when it is not prohibited under the applicable Client's Constituent Documents or applicable law. However, this could present a conflict of interest because IIA represents the interests of both the selling party and the buying party in the same transaction. Additionally, there is a risk that the price of a security or other instrument bought or sold from one Client to another Client would not be as favorable as it would have been had the trade been executed in the open market. An investment will be sold from one

Client to another Client at a price determined by IIA's pricing team based upon its review of several factors including, but not limited to: (i) the underlying investment fundamentals of the assets; (ii) documented quotes provided by independent third-party valuation specialist which provide indicative prices for the assets; and (iii) pricing information for comparable assets.

IIA's allocation policies can result in some Clients not being able to fully participate, or to participate at all, in investment opportunities. Allocating investments among Clients can create potential conflicts of interest, particularly in circumstances where the availability of investment opportunities is limited. These conflicts include, without limitation, the receipt of greater fees or compensation from some Clients.

Item – 12 – Brokerage Practices

IIA has adopted Investment Transactions and Trading Activities Policies ("Trading Policies") relating to the selection or recommendation of brokers, execution of orders and decisions to trade on behalf of Clients, and to determine the reasonableness of compensation (if any) paid in connection with Client transactions.

Portfolio Transactions. Clients invest primarily in privately-placed securities and neither they nor IIA generally engages broker-dealers or other intermediaries to execute such transactions. Purchases and sales of fixed-income securities are generally made with an issuer or a primary market-maker acting as principal with no stated brokerage commission. Prices for fixed-income securities in secondary market usually include undisclosed compensation to the market-maker reflecting the spread, the difference between the bid and ask prices, for the securities. In limited circumstances, IIA can place orders with broker-dealers for Client transactions. For example, purchases and sales of equity securities on a securities exchange or an over-the-counter market are effected through broker-dealers who receive commissions for their services. The prices for equity and fixed-income securities purchased in primary market transactions, such as initial public offerings, new fixed-income issues, secondary offerings and private placements, can include underwriting fees.

Seeking Best Execution. In selecting broker-dealers, IIA seeks to obtain best execution for Client transactions (*i.e.*, the most favorable results reasonably attainable under the circumstances, taking into account a variety of factors, including price and costs as well as qualitative factors). In seeking best execution, factors considered by IIA include (as relevant to the particular transaction): the size and type of the transactions, the nature and character of the markets for the securities, the cost, quality, likely speed and reliability of execution and settlement, the broker-dealers' ability to offer liquidity and anonymity and the trade-off between market impact and opportunity costs. IIA does not seek, or expect to always obtain, the lowest commission or spread to the exclusion of the price of the investment, the quality of service and other qualitative considerations. Rather, brokerage commissions or spreads are only a small part of total execution costs, and other factors, such as market impact and speed of execution, contribute significantly to the benefit that can be obtained for a Client in a transaction.

Soft Dollars. IIA has not entered into any soft dollar arrangements. Soft dollars arrangements with broker-dealers allow an investment adviser to cause a Client to pay commissions in excess of what

another broker-dealer might have charged in recognition of brokerage and investment research services. IIA could rely on Section 28(e) of the Securities Exchange Act of 1934, which permits an investment adviser to cause a Client to pay a commission that is higher than another broker-dealer might have charged when the investment adviser determines in good faith that the amount of commission is reasonable in relation to the value of any research, other products and brokerage services so long as the broker-dealer provides lawful and appropriate assistance to the investment adviser in its investment decision-making or trade execution processes. In such circumstances, the investment adviser can be deemed to be paying for such research, other products and brokerage services with soft dollars, and not the adviser's own funds, and thus the adviser could receive a benefit. In addition, IIA could, from time to time, receive and benefit from unsolicited research, other products or services provided by broker-dealers and might, therefore, have an incentive to place both principal and Client trades with broker-dealers that provide useful research, other products or services.

Securitizations. Clients can sell pools of mortgages to issuing entities that, in turn, securitize the pools and offer and sell the certificates to QIBs in private transactions. In such cases, IIA expects, in most cases, to engage one or more broker-dealers as placement agents, managers and bookrunners of these offerings (collectively, "Underwriters"). In selecting the Underwriters, IIA can consider various factors, including, without limitation, relevant experience, analytic capability, prior offerings with IIA, recent competitive sales, access to the marketplace, distribution capabilities, conflicts of interest, compensation structure and ability to complete the transactions in an orderly and timely manner. In some cases, an Underwriter or its affiliates provide banking or custodial services for Clients.

Trade Aggregation. Since Clients primarily invest in privately-placed securities that are purchased from the issuers, IIA generally does not aggregate securities transactions for Clients. However, where available and appropriate, IIA can aggregate purchases or sales of the same security effected on the same day for the Client accounts. When transactions are aggregated, IIA will seek to allocate such investment opportunities fairly and equitably over time, but IIA cannot assure equality of treatment among all of its clients for any particular transaction nor that each opportunity will be proportionally allocated among participating accounts according to any particular or predetermined standards or criteria. If IIA is unable to aggregate orders when IIA has the opportunity to do so, the transaction costs borne by Clients tend to be higher. When transactions are aggregated, the actual prices applicable to the aggregated transaction generally will be averaged, and all participating accounts will be deemed to have purchased or sold its share of the security, instrument or obligation involved at such average price. All transaction costs incurred in effecting the aggregated transaction will be shared *pro rata* among all participating Clients.

Directed Brokerage. IIA does not routinely recommend, request or require that Clients direct trading orders to any specific broker-dealers. IIA could, however, accommodate requests from Clients for IIA to use certain broker-dealers to execute portfolio transactions for Clients. If the Client chooses to direct brokerage, IIA could be unable to achieve most favorable execution of client transactions and directing brokerage could cost Clients more money in that Clients could receive a less favorable prices or pay higher brokerage costs. Specific instructions received from the Client, including to direct brokerage, could also prevent IIA from following its Trading Policies.

Brokerage for Client Referrals. IIA currently does not consider Client or investor referrals in selecting or recommending broker-dealers.

Item – 13 – Review of Accounts

Client investments are reviewed quarterly and whenever there is activity by a team of investment and compliance professionals. The team generally includes IIA’s investment team, CIO and other investment professionals. These professionals monitor operations, overall performance, financial performance, and strategic direction of the investments owned by each Client. In addition, IMPACT’s Board is provided information relating to portfolio activity for Clients, including with respect to compliance with investment objectives and guidelines.

Clients and investors receive written quarterly unaudited reports of performance and account balances from IIA’s affiliates, as well as, where provided for in a Client’s Constituent Documents, annual audited financial statements. Clients and investors also receive written quarterly reports that typically include a report on a Fund’s performance in compliance of its Constituent Documents. IIA or its affiliates, in each of their discretion, could provide more frequent reports and/or more detailed information to investors.

Item – 14 – Client Referral and Other Compensation

IIA does not currently maintain any referral arrangements whereby it compensates another party, whether or not affiliated, for referring or otherwise recommending its investment services to Clients. If IIA were to enter into such an arrangement in the future, IIA will comply with Rule 206(4)-3 under the Advisers Act, SEC guidance and other applicable law. Compensation paid to a solicitor can consist of cash payments computed as a flat fee, a percentage of IIA’s advisory fees or other methods of computation agreed upon between the parties. All compensation payable under such arrangements will be appropriately disclosed.

Additionally, to date, neither IIA nor a Client has engaged broker-dealers, placement agents, solicitors or finders to assist in the placement of Client interests, but IIA or a Client could, in the future, enter into such written arrangements. Information regarding any engagements, including the compensation payable under such an arrangement will be appropriately disclosed, generally in the relevant Constituent Documents.

Item – 15 – Custody

IIA does not act as custodian for Client assets. Rather, each Client’s funds and securities are held by a qualified custodian engaged by or on behalf of the Client. Nonetheless, pursuant to Rule 206(4)-2 under the Adviser Act (the “Custody Rule”), IIA and its affiliates are deemed to have custody of Client assets when they serve as a general partner or managing member (or in a similar capacity) for a Fund or Separate Account SPV.

Currently, Clients, where provided for in the Client’s Constituent Documents, are audited at least annually by independent public accountants that are registered with, and subject to regular

inspection by, the Public Company Accounting Oversight Board. Clients generally distribute their audited financial statements on an annual basis to all investors within 120 days after the calendar year end (or 180 days after the calendar year end in the case of funds-of-funds).

Item – 16 – Investment Discretion

IIA generally has discretionary authority to supervise and direct each Client's investments, without obtaining prior specific Client consent for transactions. Client's grant and set the terms of, including any limitations on, IIA's discretion through the Clients' Constituent Documents. In exercising discretionary authority, IIA will act consistently with the Client's investment objectives, guidelines and restrictions, as well as IIA's internal policies and practices, and applicable law. IIA's discretionary authority generally allows IIA to determine: the specific securities (or other financial instruments) to buy or sell; the total amount of securities to buy or sell; the brokers and dealers used to buy or sell securities; and the prices and commission rates at which securities transactions for Client accounts are effected, in each case without prior consultation with, or consent of, the Client before transactions are effected.

Item – 17 – Voting Client Securities

IIA primarily invests in privately-placed securities that do not provide voting rights to investors. In limited situations, IIA could receive proxies and corporate actions from issuers. IIA has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Advisers Act. The Proxy Policy applies generally to voting and exercising consent rights with respect to equity or fixed income securities including, but not limited to, plans of reorganization and waivers and consents under applicable indentures. The Proxy Policy does not apply, however, to consent rights that primarily entail decisions to buy or sell investments, such as tender or exchange offers, conversions, put options and redemptions, which IIA views as investment decisions. The Proxy Policy is reasonably designed and implemented in a manner expected to ensure that voting and consent rights are exercised in the best interests of Clients, including Funds and their investors, which includes the Client's economic interest and their impact objectives, consistent with their investment objectives in the Constituent Documents. Unless a Client's Constituent Documents prohibit IIA from exercising voting or consent authority, a general grant of discretion in the Constituent Documents includes authority for IIA to vote proxies and exercise consents. IIA maintains a record of all proxy votes cast on behalf of each Client. Clients and investors can contact IIA at 415-981-1074 to obtain, free of charge, a copy of the proxy voting policy and/or information with respect to specific proxy votes.

Item – 18 – Financial Information

IIA does not require nor solicit prepayment of investment advisory fees in excess of \$1,200 more than six months in advance of services rendered from Clients. IIA is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to Clients, nor has IIA been the subject of a bankruptcy petition at any time during the past ten years.