

Part 2A of Form ADV: Brochure

Item 1 - Cover Page

Northlight Capital Partners LLC

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This brochure provides information about the qualifications and business practices of Northlight Capital Partners LLC (“NCP”). If you have any questions about the contents of this brochure, please contact us at 646-873-6547. 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 NCP is also available on the SEC’s website at www.adviserinfo.sec.gov.

NCP is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2 - Material Changes

Since NCP's previously filed Brochure dated March 31, 2023, there have been no material changes to NCP's investment advisory business.

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Item 4 - Advisory Business

Northlight Capital Partners LLC (“NCP” or the “Advisor”), a Delaware limited liability company, is an investment management firm based in Connecticut that commenced operations in early 2013. For purposes of this brochure, NCP means Northlight Capital Partners LLC together with its affiliates serving as general partners and managers of the Clients (defined below). Hillspoint Partners LLC (“HPP”), a Delaware limited liability company, is the sole member and manager of NCP, and Michael B. Gerig is HPP’s principal owner.

NCP provides investment advisory services to various pooled investment vehicles (the “Funds”) and co-investment vehicles where other investors make investments alongside the Funds (the “Co-Investment Vehicles,” together with the Funds the “Clients”). The Clients are exempt from registration under the Investment Company Act of 1940, and their securities are not registered under the Securities Act of 1933. NCP’s investment activities focus primarily on opportunistic credit and/or equity investments in stressed/distressed real estate-related opportunities. Each Fund’s investment strategy is described in more detail in a confidential private placement memorandum, a limited partnership agreement, and other governing documents applicable to such Fund and the Co-Investment Vehicles are generally governed by their operating agreements (such documents as applicable for each Client are referred to as “Governing Documents”).

NCP generally has full discretionary authority with respect to investment decisions for the Funds. NCP invests each Fund’s portfolio in compliance with the investment objectives, guidelines and restrictions set forth in the applicable Fund’s Governing Documents. NCP does not tailor its investment advice to meet the investment needs of any individual investors in the Funds. However, in accordance with common industry practice, a Fund or its general partner may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which such Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. See *“Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss”* below for additional information.

For the Co-Investment Vehicles, NCP does not generally have full discretion to make investment decisions. Instead, the investors in such Co-Investment Vehicles retain discretion to make the initial commitment and/or investment decision, and subsequent to that initial decision NCP is generally responsible for managing the co-investment, subject to the applicable Governing Documents.

NCP does not participate in wrap fee programs.

As of December 31, 2023, NCP had regulatory assets under management of approximately \$463,732,010, of which \$213,856,034 was managed on a discretionary basis and \$249,875,976 was managed on a non-discretionary basis.

Item 5 - Fees and Compensation

The fees and expenses applicable to the Clients are set forth in detail in each Client's Governing Documents. A brief summary of such fees and expenses is provided below.

Management Fees and Carried Interest

NCP is generally entitled to receive a management fee from each Client. During the time a Client is actively investing (the Client's "Commitment Period"), the management fee is typically equal to a fixed percentage of the amount of capital called for the Client and allocated to portfolio investments plus the amount of remaining uncalled capital commitments to the Client. After the Commitment Period has expired, the management fee is typically equal to a fixed percentage of funded capital allocable to portfolio investments. Management fees are paid quarterly in advance and are pro-rated for any period that is less than a full calendar quarter.

In addition to the management fees described above, the general partner or manager of each Client is also generally entitled to receive a carried interest allocation from such Client after certain performance hurdles have been met, as further described in the applicable Client's Governing Documents. Such carried interest represents a portion of each Client's net investment profits. See "*Item 6 – Performance Fees and Side-by-Side Management*" below for additional information.

The management fee and carried interest are generally subject to waiver or reduction by the applicable general partner or manager with respect to some or all of a Client's investors in the general partner or manager's sole discretion, as further described in each Client's Governing Documents.

Client Organizational Expenses

Each Client generally bears the legal, accounting, printing, travel, and other organizational expenses related to the formation of the Client and for the offering and sale of the limited partner interests in the Funds to prospective investors. Organizational expenses are generally capped at a fixed dollar amount, and any costs incurred above that amount are paid by the Clients but borne by NCP through a 100% offset against the management fee.

Client Operating Expenses

Each Client is responsible for its share of all third-party costs and expenses reasonably incurred by the Client or NCP on behalf of the Client, relating to maintaining the operations of the Client, including, without limitation: appraising and valuing, acquiring, maintaining, financing, hedging and disposing of Client investments (including broken deal expenses to the extent not paid for or reimbursed by Client counterparties); taxes, fees and other governmental charges levied against the Client; insurance (solely related/allocable to the Client, Client activities and investments); administrative and research fees; expenses of custodians, outside advisors, counsel, accountants, auditors, administrators and other consultants and professionals; expenses associated with forming and operating investment vehicles and other holding vehicles related to Client

investments; technological expenses; interest on and fees, costs and expenses arising out of all financings entered into by the Client (including, without limitation, those of lenders, investment banks, and other financing sources); travel expenses; brokerage commissions; custodial expenses; litigation expenses (including the amount of any judgments or settlements paid in connection therewith); winding up and liquidation expenses; expenses incurred in connection with any tax audit, investigation, settlement or review; expenses of the Client advisory committee members; expenses associated with meetings of the Client advisory committee and the Client investors; expenses relating to the preparation and distribution of reports, financial statements, tax returns and K-1s to the Client investors; indemnification and other unreimbursed expenses; and any extraordinary expenses to the extent not reimbursed or paid by insurance, but specifically excluding the Fund management fee and organizational expenses.

Client operating expenses may also include special servicing fees payable to NCP, which fees are generally based on a percentage of the unpaid principal balance of newly originated and acquired loans. For acquired loans, the applicable fee rate varies depending on whether the loan is performing, sub-performing or non-performing. In addition, special servicing fees are payable with respect to owned real estate ("REO") properties based on a percentage of the allocated purchase price. Special servicing fees are subject to caps that may not be exceeded without the approval of the applicable Client's advisory committee. In addition, NCP may not charge special servicing fees on (i) loans where a third party agent is being used for loan servicing or special servicing, (ii) REO properties where a third party property manager is being used to manage the property, or (iii) loans that NCP has deemed uncollectible. Special servicing fees are reviewed annually with each applicable Client's advisory committee.

Client Borrowings

The applicable Governing Documents of each Client may have provisions that allow each such Client to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from such Client's investors. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying a Client's reported net internal rate of return (IRR), particularly in the early years of a Client's investment cycle. Such borrowings can also accelerate the date upon which a Client's preferred return will be achieved for purposes of determining when the applicable general partner (or affiliates which earn carried interest) is entitled to begin receiving carried interest payments on distributions from the Client. In accordance with the terms of the applicable Governing Documents of each Client, interest payments and other fees and expenses incurred in respect of such borrowings are paid by the Clients and such expenses will decrease a Client's net returns over time. The terms of each Client's borrowing arrangements and borrowings outstanding, if any, are disclosed to the investors in the annual financial statements of each Client.

Broken Deal Expenses

Broken deal expenses will generally be borne solely by the Clients, in accordance with the Clients' Governing Documents, even if co-investors were being sought or in some cases had agreed to participate had the transaction been consummated. Such co-investors may include those with whom NCP has pre-existing relationships, as well as co-investors that have participated in other

completed transactions. By generally bearing broken deal expenses, the Clients provide a potential benefit to other co-investors in the Clients' investments. Please see "*Item 8 - Methods of Analysis, investment Strategies and Risk of Loss*" below for additional information.

Investors and prospective investors in a Client should refer to such Client's Governing Documents for more detailed information concerning the fees, carried interest and other expenses that such Client will bear.

Neither NCP nor any of NCP's supervised persons accepts compensation for the sale of securities or other investment products.

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

As noted in *Item 5* above, the general partner or manager of each Client may be entitled to receive carried interest distributions from such Client after certain (cash-on-cash) performance hurdles have been met, and certain of NCP's principals and other key employees receive a portion of such carried interest distributions. These performance-based carried interest distributions may create conflicts of interest, including an incentive for NCP to engage in riskier or more speculative investments on behalf of a Client than might otherwise be the case.

In addition, NCP may have an incentive in allocating investment opportunities to favor Clients with a potential for performance-based compensation or greater performance-based compensation over Clients with no performance-based compensation or lesser performance-based compensation. NCP typically has only one Fund that is actively seeking new investments at any given point in time, so conflicts arising from allocation of investment opportunities between Funds are relatively infrequent. However, NCP may identify investment opportunities that are too large for a Fund, in which case NCP may seek additional capital from co-investors. To ensure participation in such investments is allocated fairly, NCP's approach is generally to (i) maximize Fund investment in the opportunity, based on risk profile of the investment and Fund diversification considerations, (ii) offer co-investment to Fund investors who have expressed an interest in co-investment opportunities, initially pro-rata based on Fund participation, with upsizing then offered to close any remaining funding gap, and (iii) lastly to non-Fund investors. In general, any portions of an investment opportunity allocated to co-investors will be managed by NCP on a non-discretionary basis through a Co-Investment Vehicle.

Item 7 - Types of Clients

NCP's only clients are the Funds and Co-Investment Vehicles. Interests in the Clients are typically offered to institutional investors, family offices, high net worth individuals and other qualified investors in the United States. Certain employees may also invest in the Funds if they meet the definition of a "knowledgeable employee" in Rule 3c-5 under the Investment Company Act of 1940.

Interests in each of the Clients are offered (or were offered, during a Client's applicable offering period) to qualified investors in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended. The Clients are not registered under the Investment Company Act of 1940, as amended, in reliance upon one or more exclusions from the definition of "investment company" therein. The minimum capital commitment of an Investor in a Fund is generally \$3 million, although lesser commitment amounts may be accepted in the sole discretion of NCP.

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

Methods of Analysis; Investment Strategies

The investment themes and strategies NCP focuses on vary to some degree among the Clients, as described in the applicable Governing Documents of each Client. NCP's specific strategies, or the emphasis it places on different strategies, may be adjusted by NCP as it determines is appropriate to remain responsive to changing market conditions and, in particular, the changing phases of the real estate market cycle. Any such adjustments shall only be made in accordance with each Client's applicable Governing Documents.

Broadly speaking, NCP currently focuses on making opportunistic credit investments in and/or acquiring stressed and distressed real-estate related investment opportunities. NCP executes on this investment objective primarily through the following two real-estate-related investment strategies:

1. Debt Acquisitions - The Clients may invest in sub-performing and non-performing loans at a discount to par, providing potential for upside and in many cases with downside limited by security interests and collateral.
2. Special Situations Investments – The Clients may make several types of investments falling under the “special situations” umbrella:
 - Bankruptcy related financings such as debtor-in-possession loans (DIPs), exit financings, and plan of reorganization (POR) related acquisitions/transactions
 - Restructuring loans
 - Development loansStructured loan originations may include equity features for upside sharing.

The types of securities in which NCP may invest on behalf of the Clients may include:

1. *Real estate secured distressed whole loans*: A Client may invest in sub-performing and non-performing loans and loan portfolios sold by the U.S. government, banks and non-bank financial institutions;
2. *Real estate owned (“REO”) properties*: A Client may invest in real estate owned assets (“REO”) directly or as part of a larger credit portfolio purchase, subject to certain limitations described in the Client's Governing Documents;
3. *High-yield secured loans collateralized by real estate*: NCP may originate short and medium-term, generally senior, secured loans investments on behalf of the Clients where real estate will be the main form of collateral;

4. *Distressed real estate corporate acquisitions:* A Client may invest in institutions primarily in the business of holding real estate debt, equity and/or securities either inside or outside of bankruptcy or conservatorship;
5. *Distressed commercial mortgage-backed securities and/or bonds secured by real estate:* A Client may invest in mortgage-backed securities where NCP believes it can take control of underlying loans or real estate collateral; and
6. *Bankruptcy real estate investments:* NCP may originate on behalf of a Client debtor-in-possession (“DIP”) or senior secured exit loans secured by real estate and other collateral.

In making investments on behalf of the Clients, NCP generally looks for investment opportunities with some or all of the following characteristics:

1. Investment of capital at preferred returns to legacy investors
2. The application of stringent investment criteria and conservative assumptions
3. Low loan to value levels
4. Multiple resolution/exit options
5. Conservative use of leverage
6. Investments that require active management to maximize value

Once an investment is made, NCP will seek to maximize value for the Clients through an active asset management process. This may include engaging in strategies to drive early recoveries, such as (i) executing on discounted payoffs with the borrowers, (ii) restructuring the loans, or (iii) selling loans to third-party investors who may value certain assets more highly than NCP. NCP may also attempt to identify other assets which may yield higher returns to a Fund through a longer hold and stabilization strategy.

Risk Factors

The investment strategies pursued by NCP involve a number of significant risks. These investment strategies may be deemed to be speculative. Such investment strategies are not intended to be utilized as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

Risk of Loss. No guarantee or representation is made that the Clients’ investment programs, including, without limitation, the Client’s investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

General Economic and Market Conditions. The success of the Clients' investment programs will be affected by general economic and market conditions outside of NCP's control, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations).

Pandemics and Other Diseases. Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on the U.S. and or world economies and markets generally. For example, the viral disease outbreak known as COVID-19 was declared a pandemic by the World Health Organization in March 2020 and in response to the outbreak, the U.S. Health and Human Services Secretary declared a public health emergency in the United States, and many states and municipalities declared public health emergencies. The COVID-19 pandemic had an adverse impact on many classes of real estate assets since its outbreak. This and other pandemics or outbreaks could result in general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. The impact may be materially adverse to the Client's investments and NCP's operations, including the ability to source new investments or realize investments. To the extent personnel, as a result of working remotely during a pandemic, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be more vulnerable to cybersecurity incidents and cyberattacks and could have more difficulty resuming normal operations in the event it is the target of such incident or attack. See "Cybersecurity," below.

Conflict in Ukraine. Russia launched a large-scale invasion of Ukraine on February 24, 2022 and, in response, the United States and other governments have imposed economic sanctions on certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures. It is possible that such governments could institute broader sanctions or impose other economic and political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors. Such effects and impacts may have a material adverse effect on Client investments.

Israel-Hamas Conflict. An armed conflict between Israel and Hamas-led militant groups has been taking place in and around the Gaza Strip since October 7, 2023, when Hamas militants launched a surprise attack. Fallout of this conflict has included large protests across the world, as well as Iran-backed militia attacks on US military bases in the Middle East, as well as Yemeni Houthi attacks on commercial ships allegedly linked to Israel. The extent and duration of this conflict is uncertain, as well its effect on the regional and global economies, and could potentially have a material adverse effect on Client investment.

Lack of Diversification. While NCP intends to attempt to achieve satisfactory portfolio diversification, the Funds are expected to invest in a limited number of investments and Co-Investment Vehicles may invest in only one or very few investments, and, as a consequence, the aggregate returns realized by a Client may be adversely affected by the unfavorable performance of a small number of such investments. The Client's portfolios may also involve geographic or property-type concentration, which may enhance risk.

Lack of Liquidity of Investments. The Clients' investments will generally be illiquid due to any number of uncontrollable and unpredictable factors. It may be difficult from time to time for a Client to realize, sell or dispose of an investment at an attractive price or at the appropriate time or in response to changing market conditions, or a Client may otherwise be unable to complete a favorable exit strategy. NCP expects that income from investments may not be realized until a number of years after they are made. Investors should therefore be aware that they may be required to bear the financial risk of their investment in a Client for an extended period of time, and if this period of time extends to the date the Fund is to be dissolved per the Client's Governing Documents the value of the remaining investments may need to be sold, distributed, or otherwise disposed of at a discount to expected full value.

Risk of Real Estate Investment. While NCP targets loan investments that are fully collateralized by real estate, investments in real estate debt have certain inherent risks relative to collateral value. Real estate values are affected by a number of factors, including (i) changes in the general economic climate, (ii) local conditions (such as an oversupply of space or a reduction in demand for space), (iii) the quality and philosophy of management, (iv) competition based on rental rates, (v) attractiveness and location of the properties, (vi) financial condition of tenants, buyers and sellers of properties, (vii) quality of maintenance, insurance and management services and (viii) changes in operating costs. Real estate values also are affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, and potential liability under changing environmental and other laws. Unforeseen changes in such factors could affect the Client's ability to recover any or all of any particular investment.

Loans, Defaults and Foreclosures. A primary Client objective is the acquisition and origination of loans that are secured by real estate. However, there are several factors which could adversely affect the value of such real property security, including, among other things, the following:

- A Client may rely on appraisals among other inputs to determine the fair market value of real property used to secure loans from a Client investment. No assurance can be given that such appraisals will, in any or all cases, be accurate. Moreover, since an appraisal is based upon the value of the real property at a given point in time, subsequent events could adversely affect the value of real property used to secure a loan. Such subsequent events may include general or local economic conditions, neighborhood values, interest rates, new construction and other factors.
- If a borrower defaults, a Client may have no feasible alternative except to foreclose on the collateral property. If the Fund cannot quickly sell such property, and the property does not produce any significant income, the cost of owning and maintaining the property will directly affect the Fund's profitability.
- The recovery of sums advanced by a Client in purchasing and making loans and protecting its security may also be delayed or impaired by the operation of the federal bankruptcy laws or by irregularities in the way the loan was made. Any borrower can delay a foreclosure sale for a period ranging from several months to several years simply by filing a petition in bankruptcy which automatically stays any actions to enforce the terms of the loan. Such delays and the costs associated therewith could reduce the Client's profitability, perhaps significantly.

Lender Liability. When a Client acquires or issues debt it is potentially exposed to various creditor risks, which may include (i) the possible invalidation of an investment as a "fraudulent conveyance" under relevant creditors' rights laws; (ii) so-called lender liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) interest charged on loans may be subject to state usury laws imposing maximum interest rates and penalties for violations, including restitution of excess interest and unenforceability of debt. Additionally, adverse credit events with respect to any borrower to which a Client (directly or indirectly) lends, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the investments with respect to any such borrower.

Investment in Distressed Assets. The Clients may make investments in under-performing or other distressed assets utilizing leveraged capital structures or purchase loans relating to real estate assets. By their nature, these investments will involve a high degree of financial risk, and there can be no assurance that a Fund's return objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the U.S. Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of a Client's original Investment. In addition, under certain circumstances, payments to a Client and distributions by the Client to its investors may be reclaimed if such payments or distributions are later

determined to have been fraudulent conveyances or preferential payments. Numerous other risks also arise in the workout and bankruptcy contexts.

Bankruptcy Process Uncertainty and Cost. A Client may become involved in a bankruptcy case in one of at least two ways, as a creditor, or as a potential or actual investor. In both of these cases the Client becomes exposed to the complexity of the U.S. Bankruptcy Code and the implementation of that code in the U.S. Bankruptcy Courts. Common to these two roles is uncertainty about case duration, which can only be roughly estimated and is subject to unpredictable and lengthy delays, and can involve substantial legal, professional, and administrative costs.

As a creditor, many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors are generally afforded an opportunity to object to significant actions, there are no assurances that a bankruptcy court will not approve actions contrary to the interests of the Client. Gerrymandering of claim classes is another risk, as is the incurring of administrative costs and other claims that have priority over many other claims.

Real Estate Development. A Client may choose to develop a real estate investment if it believes doing so will increase the value of the asset, but depending on the nature of the development there are risks that may include, but are not limited to: (i) variability and cost of pre-development work, including due diligence, research, and permitting; (ii) availability of financing; (iii) vertical construction costs and timing; (iv) marketing effectiveness and demand for the product; (v) property management; (vi) project stabilization.

Real Estate Environmental Liability. In the event that a Client owns or becomes an owner of real estate, through foreclosure or otherwise, the Client may be exposed to risk of loss from environmental claims arising with respect to such real estate, and the potential losses may exceed the Client's investment therein. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition and that could not have been foreseen.

Litigation. Investments in stressed/distressed situations, e.g. sub and non-performing loans, bankruptcy related financings, etc., can result in adversarial relationships with counterparties. It is not uncommon for the threat of, as well as actual, litigation to occur in these situations. The expense of defending against claims by counterparties and paying any amounts pursuant to settlements or judgments would generally be borne by the Clients and could adversely impact Client profitability.

Lack of Liquidity of the Client. Investments in the Clients are illiquid, and interests in a Client may not be transferred without the prior consent of the general partner or manager and the satisfaction of certain other conditions. Investors in the Clients should be able and prepared to maintain their investments in the Clients over the entire life of the Client.

Passive Investment. An investment in the Clients is a passive investment. As limited partners, investors in the Funds have no control over the day-to-day operations of the Funds, including investment and disposition decisions, and have limited rights to protect themselves if they are dissatisfied with the manner in which a Fund is being operated. While investors in Co-Investment Vehicles do maintain investment decision discretion, after the initial investment and/or commitment their rights are similar to those of the Fund investors. Investors are highly dependent on the investing skills and management abilities of NCP to achieve success.

Valuation. The valuation of the Clients' investments is a difficult task that relies heavily on NCP's business judgment. Although NCP maintains stringent policies, procedures and financial controls over the valuation process (including independent review by the Clients' auditors), there can be no assurance that the Clients will be able to realize their investments at a price that is commensurate with the value at which such investments have been carried on the Client's books.

Pooled Investment Vehicles. NCP manages each Client in a manner that is consistent with the best interests of the Client, which is not necessarily consistent with the best interests of each individual investor in the Client. In particular, NCP may structure investments so as to maximize tax efficiency for the Client, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.

Reinvestment of Capital. NCP generally has the right to recall (or "recycle") certain distributed amounts, including in respect of returned fees and expenses and returned capital, in accordance with the Clients' Governing Documents. Accordingly, during the term of a Client investment, an investor may be required to make capital contributions in excess of its commitment. Any such reinvestment would limit early distributions to investors, and to the extent such recalled or retained amounts are reinvested, an investor will remain subject to the investment and other risks associated with such investments. As a result, reinvestment could increase the risk of investing in a Client. Additional investments resulting from recycling have the potential to increase investment returns to investors (and reduce the effective burden of management fees assessed on the basis of commitments during a Client's commitment period, if applicable) to the extent such investments are profitable. However, there can be no assurance that any such investment will have a positive return. Further, any such additional investments will have the effect of increasing the management fee borne by investors following the investment period, and as a result NCP may face a conflict of interest with respect to such additional investments insofar as it is incented to deploy recycled capital in additional investments when it might not otherwise have done so.

Side Letters. Each of the Funds for which NCP serves as general partner and investment manager has entered and may in the future enter into additional agreements, or "side letters," with certain prospective or existing Fund investors whereby such Fund investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for a given Fund. For example, such terms and conditions may provide

for a waiver or rebate in fees; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other Fund investors (including, without limitation, more detailed information regarding Fund investments) and such other rights, standards, waivers or modifications as may be negotiated by the Fund and such Fund investors. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size and timing of the Fund investor's investment in the Fund or an affiliated investment entity, or other similar commitment by a Fund investor to the Fund. Further, NCP has waived or modified fees (and may continue to do so) for Fund investors that are members, employees or affiliates of NCP and friend and families of such persons. While the ability of a Fund or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund, the terms of such "side letters" or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

Confidentiality. In the course of sourcing investments, NCP or the Clients will be required to enter into confidentiality agreements with third party firms that may prohibit the Funds from publicly disclosing sensitive information relating to the third party firm and their investments. These arrangements could either restrict the information that the Clients are permitted to share with their investors or could possibly result in liabilities for the Clients where an investor that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act ("FOIA") or other similar state or local laws, publicly discloses such information in response to an information request or otherwise. NCP may choose, but is not required, to decline such investment opportunities in order to avoid the risk of exposing the Clients to these categories of liability. As a result, the Clients' investment flexibility may be constrained, which may adversely impact the aggregate returns realized by the Clients.

Time Commitment. NCP's senior management team will devote substantially all of their business time to NCP's business, including managing the Funds. Conflicts of interest can arise in allocating management time, services or other resources among the Funds and/or other investments and projects.

Cross-Client Investment. Potential conflicts will arise if a Client makes an investment in or related to a property in which other Clients have invested. Decisions relating to actions to be taken may create conflicts of interest between holders of different types of securities in the same property as to what actions NCP should take. A conflict may also arise in allocating an investment opportunity if the potential investment could be made by more than one of the Clients. Investments by more than one Client in a property may also raise the risk of using assets of one Client to support positions taken by other Clients. NCP is generally authorized to resolve such conflicts on a case-by-case basis in its good faith discretion, taking into account the interests of all of the Clients, but NCP will not always be in a position to take action to resolve any such conflict, and there can be no assurance that any such conflict will be resolved in favor of any particular Client.

In-Kind Distributions. If “in-kind” distributions are made to a Fund’s investors of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the applicable Fund Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained.

Special Servicing Fees. The nature of Client assets is such that special servicing fees may be appropriate and applicable, which fees are set out in the applicable Governing Documents. These fees are generally reviewed with the Client advisory committee on an annual basis. In the event that a supermajority of the advisory committee members believes, in good faith, that the special servicing fees charged by NCP is (a) in excess of the market for comparable special servicing fees and (b) the advisory committee and NCP cannot agree on a mutually-agreeable special servicing fee, the advisory committee may require the NCP, at the expense of the Client, to bid out the special servicing to bona-fide third party servicers or property managers. If it is determined that third party servicing fees are less than the special servicing fees charged by NCP, NCP may elect, in its sole discretion, to either (a) continue servicing the Client Investment at the lowest rate bid on by the third-party servicer or property manager or (b) contract with the third-party servicer or property manager.

Broken Deal Expenses. Co-investors in one or more specific investments will not necessarily be required to share in the broken-deal expenses, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Funds. This includes co-investors with whom NCP has pre-existing relationships, as well as coinvestors that have participated in other completed transactions. Such co-investors participate in and benefit from the general sourcing of transactions by the Fund and NCP.

Cybersecurity. NCP’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals or power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. NCP has implemented various measures to manage risks relating to these types of events; nevertheless, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, NCP may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in NCP’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including information relating to clients and investors (and the beneficial owners of investors). Such a failure could harm NCP’s reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of NCP’s information, technology or security systems could have an adverse impact on its ability to manage the private investment funds referred to herein. No guarantee or

representation can be made that a Fund will achieve its investment objective or that investors will receive a return of their capital.

All investing involves a risk of loss and the investment strategies pursued by the Clients could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable Client's investment, operational and other actual and potential risks.

Item 9 - Disciplinary Information

NCP and its employees are not involved in any legal or disciplinary matters that would be material to a client's or prospective client's evaluation of NCP's advisory business or the integrity of its management.

Item 10 - Other Financial Industry Activities and Affiliations

Neither NCP nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither NCP nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or as an associated person of any of the above.

NCP and its related persons are the sponsors, general partners, investment managers and/or, in certain cases, may also be investors in Funds managed by NCP. Certain NCP personnel may spend substantially all of their business time on one or more of the foregoing Clients as required pursuant to the terms of the relevant Governing Documents. NCP does not recommend or select other investment advisers (other than NCP affiliates) for its clients.

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

NCP has adopted a code of ethics (the “Code”) that establishes standards of ethical conduct for its employees and sets forth policies and procedures for addressing potential conflicts of interest that may arise between NCP’s personnel and the Clients. The Code is based on the principle that NCP owes a fiduciary duty to its clients and that all of NCP’s personnel must therefore avoid any activities, interests or relationships that might present an actual or potential conflict of interest with NCP’s clients or otherwise interfere with NCP’s ability to make decisions in the best interests of its clients. Among other things, the Code addresses personal trading activities, receipt of gifts and business entertainment, outside business activities and political contributions.

As a general rule, NCP does not buy or sell securities of public companies. However, NCP may from time to time come into possession of material non-public information relating to public and private companies. The Code requires that no NCP employee may purchase or sell, directly or indirectly, any security that is subject to a firm-wide restriction.. The companies subject to firm-wide restriction include (i) any public company in which NCP is in possession of material non-public information, and (ii) any other public company concerning which NCP may be in a position to receive material non-public information as a result of a special relationship NCP has with such public company. NCP’s investment professionals are required to report all of their personal holdings in securities and personal securities transactions to NCP’s Chief Compliance Officer (“CCO”) on a quarterly basis. In addition, NCP personnel are required to pre-clear any personal securities transaction they may wish to make in securities issued in an initial public offering or private placement and in any securities issued by a company on the Restricted List. In general, personal securities transactions in any company that is on the Restricted List will not be approved in the absence of extraordinary circumstances.

NCP’s personnel are also prohibited from giving or receiving gifts or business entertainment that might call into question the exercise of such person’s ability to exercise independent judgement on behalf of NCP’s clients. Under the Code, gifts and business entertainment that exceed certain thresholds must be pre-cleared with the NCP’s Chief Compliance Officer. Under the Code, the NCP’s personnel are also required to pre-clear any outside business activities they may wish to engage in and any political contributions they may wish to make.

NCP’s employees must certify annually that they have read and agree to comply in all respects with the Code.

The paragraphs above only represent a summary of key provisions in the Code. NCP will provide a copy of the entire Code to any client or prospective client (including any investor therein) upon request.

Item 12 - Brokerage Practices

NCP's advisory business generally involves private transactions, in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With respect to such private transactions, NCP believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

When participating in hedging transactions NCP and the Clients may use a third-party vendor to provide quotes from multiple counterparties. The Clients are responsible for paying any commissions or fees for hedging transactions.

Item 13 - Review of Accounts

NCP monitors Client investments on an ongoing and continuous basis. Senior management and other key NCP personnel monitor investments on an ongoing basis as needed based on their evaluation of each investment's particular circumstances and conduct periodic site visits of real estate collateral and owned real estate as appropriate.

Generally, as set forth in the Client Governing Documents, on a quarterly basis, investors in each Client receive written financial reports, including an unaudited balance sheet, a statement of net income or net loss, a statement of changes in financial position or a cash flow statement, and a supplemental statement of such investor's capital account. On an annual basis, investors in each Client also receive audited financial statements of such Client, valuations of the Client's investments, and tax information necessary for the completion of U.S. tax returns.

Item 14 - Client Referrals and Other Compensation

In general, NCP does not receive any economic benefit for investment advice or advisory services provided to the Clients from anyone other than the Clients. While in the past NCP has utilized the services of placement agents to introduce investors to the Funds it has no plans to do so in the future.

Item 15 - Custody

NCP is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). In accordance with the Custody Rule, NCP complies with the Custody Rule by ensuring that all Clients are audited at least annually by an independent public accountant that is registered with, and subject to inspection by, the Public Accounting Oversight Board, and such audited financial statements are provided to investors within 120 days of the end of the Client fiscal years.

Fund cash and securities, other than privately offered, non-certificated securities, are held by independent qualified custodians.

Item 16 - Investment Discretion

NCP has discretionary authority to manage the assets of the Funds in a manner that is consistent with the investment objectives and strategies set forth in the Funds' Governing Documents. Among other things, this means that NCP is authorized to make investment and asset disposition decisions for the Funds without obtaining specific consent from the Funds or their investors. This authority is granted by the Funds to NCP pursuant to the applicable Fund Governing Documents.

NCP generally does not have discretionary authority to make the initial investment decisions for non-Fund investors in the Co-Investment Vehicles, but after the initial investment is generally responsible for ongoing asset management, including asset disposition decisions, pursuant to Co-Investment Vehicle Governing Documents.

Item 17 - Voting Client Securities

NCP has adopted proxy voting policies and procedures to address how it will vote proxies, as applicable, for a Client's portfolio investments. Although the securities evidencing the investments made by a Client are not typically subject to proxy voting, there could however be certain circumstances where NCP, having discretionary authority over a Client, may be asked to vote the securities of a Client on restructuring or other corporate matters. The exercise of such proxy voting rights will be in accordance with Rule 206(4)-6 under the Advisers Act and NCP will ensure that a record of each securities position held by a Firm is maintained in accordance with Rule 204(2) under the Advisers Act and, where any such vote is to occur, the NCP will ensure that it receives all relevant information, disclosure materials and such proxies or consents as are necessary for it to be able to cast votes in a timely manner.

If a conflict of interest were to arise between NCP and a Client when voting the Client's securities, the Firm would vote in the Client's best interests. In determining what is in the best interest of the Fund, NCP would be sure to act in conformity with any applicable requirements of the applicable Client's Governing Documents and might consult with, or seek approval of the voting decision from, the Client's advisory committee, if necessary.

Any Client, investor or prospective investor is able to obtain a copy of the Firm's written proxy voting policies and procedures upon request by contacting the Chief Compliance Officer.

Item 18 - Financial Information

NCP does not require or solicit prepayment of client fees more than three months in advance, and does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients. NCP has never been the subject of a bankruptcy petition.