

LOCUST POINT CAPITAL, INC.
PART 2A OF FORM ADV: FIRM BROCHURE

Locust Point Capital, Inc.
141 West Front Street, Suite 415
Red Bank, NJ 07701
www.LocustPointCapital.com

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This Form ADV Part 2A brochure (“Brochure”) provides information about the qualifications and business practices of Locust Point Capital, Inc. (“Locust Point”). If you have any questions about the contents of this brochure, please contact Ted McCutcheon, Locust Point Capital’s Chief Compliance Officer, at tmccutcheon@locustpointcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Please note that the use of the term “registered investment adviser” or registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Locust Point Capital Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is dated March 28, 2024 and updates the prior brochure, dated April 27, 2023. This summary of material changes is designed to make clients aware of information that has changed since the Brochure's last annual update and that may be important to them.

- There are no changes to this Brochure that Locust Point considers to be material.

This summary of material changes is qualified in its entirety by reference to the full discussion in this Brochure. Investors are encouraged to read the Brochure in detail and contact Locust Point with any questions. The Brochure can be accessed via the SEC Website at www.adviserinfo.sec.gov or by requesting a copy by contacting Locust Point's Chief Compliance Officer at tmccutcheon@locustpointcapital.com.

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A. Description of Advisory Business

Locust Point Capital, Inc. (“Locust Point” or “we”), a Delaware corporation, was organized in May 2015. Locust Point’s sole investment strategy is providing capital solutions as a lower middle-market lender to seniors housing and care companies seeking flexible, non-dilutive financing. Locust Point’s principals and owners, Eric M. Smith and Daniel R. Contardi, have decades of experience financing seniors housing and care companies and have formed long lasting relationships with owner-operators, lenders, and sponsors, which we believe results in strong risk-adjusted returns for our investors. Given the complex nature of the seniors housing and care sector, the combination of our deep expertise in the market and our strong relationships gives us a strategic platform to access available opportunities in the lower middle market, throughout the economic cycle. Our team has broad lending and investing experience in the seniors housing and care sector, and our investment approach is designed to provide the transparency, flexibility, and reliability that sophisticated investors demand.

B. Description of Advisory Services

Locust Point and its affiliated general partner and management company entities (together with their controlled affiliates) provide discretionary investment management services to private pooled investment vehicles, the securities of which are offered to investors on a private placement basis. Currently, Locust Point’s clients are (i) Locust Point Private Credit Fund, L.P. (“Fund I”), a Delaware limited partnership formed in November 2016, (ii) Locust Point Seniors Housing Debt Fund II, L.P. a Delaware limited partnership formed in November 2019 (“Fund II”), (iii) Locust Point Senior Mortgage Fund, L.P., a Delaware limited partnership formed in November 2021 (the “SMF”); the SMF’s wholly-owned REIT, the Locust Point Senior Mortgage REIT, Inc. (“LPSM REIT”, and, together with the SMF, the “Senior Mortgage Fund”); and (iv) Locust Point Private Credit Fund III, L.P., a Delaware limited partnership formed in April 2022 (“Fund III”). As private credit funds, each Fund’s investments consist of loans to, or preferred equity investments in, small and mid-sized companies serving the senior housing and long-term care industries (as used in this Brochure, each such company is an “Owner-Operator,” and collectively, are “Owner-Operators”). Each of Fund I, Fund II and Fund III’s loans primarily take the form of subordinated debt and, to a limited extent, preferred equity investments and debt with senior collateral (together, Fund I, Fund II and Fund III are the “Subordinate Funds” and, together with the Senior Mortgage Fund, are the “Funds”). The Senior Mortgage Fund focuses exclusively on senior-position mortgage loans to Owner-Operators and is utilized by Locust Point to offer a “complete capital solution” to Owner-Operators, i.e., a financing package that includes a senior debt component and a subordinated debt component. The Senior Mortgage Fund only lends alongside a subordinate mortgage loan being provided by a Subordinate Fund (as used in this Brochure, each such loan is an “investment,” and collectively, are the “investments”).

While the Subordinated Debt Funds are closed-end funds, the Senior Mortgage Fund is structured as a perpetual “evergreen” fund with multiple “Series”. Each Series has a three-year investment period at the end of which, automatically, each investor will be deemed to make a new capital commitment to the subsequent Series in an amount equal to the capital commitment in the prior Series, unless the Senior Mortgage Fund

General Partner elects not to raise a subsequent Series, or such investor submits a notice to the Senior Mortgage Fund General Partner indicating that they wish to make a reduced commitment or no commitment in the subsequent Series. Investors also have the option to increase their capital commitments in subsequent Series. Each Series of the Senior Mortgage Fund intends to invest substantially all of its capital contributions in Investments by investing through one or more entities intended to be treated as real estate investment trusts (“REITs”) for U.S. federal income tax purposes.

The Funds provide capital to senior housing and care facility Owner-Operators to fund their acquisitions, refinancing, recapitalizations, new construction, capital investment or working capital, or any combination thereof. Locust Point provides advisory services to each Fund pursuant to an investment management agreement with each Fund. Such services include, without limitation: identifying and screening potential investments; conducting diligence on and underwriting the Fund’s investments; monitoring the performance of Fund investments; supervising and facilitating the exit and refinancing of investments; and preparing investor or other reports.

C. Availability of Customized Services for Clients

Locust Point’s management of each Fund is governed by the applicable Fund’s (i) offering memorandum, (ii) organizational documents, such as its limited partnership agreement, or operating agreement, and (iii) the investment management agreement between Locust Point and the relevant Fund (the “Governing Documents”). Locust Point does not customize its investment advice based on the needs or circumstances of any particular Fund investor.

Subject to applicable law and the Funds’ Governing Documents, Locust Point may enter into side letters or other writings with specific investors in a Fund (each, a “Side Letter Investor”) that provide for terms of investment that are more favorable than the terms provided to other investors in that Fund. Such side letters or other writings may have the effect of establishing rights under, or altering or supplementing, the terms applicable to the Side Letter Investor in that Fund including, without limitation, terms regarding: (i) waivers or reductions of the management fee and the incentive allocation (i.e., carried interest); (ii) access to information, (iii) more favorable transfer rights, (iv) more favorable liquidity rights, and (v) other rights and preferences. Any rights established, or any terms altered or supplemented in a side letter, will apply to only that investor and no other Fund investor that is not also a party to the side letter.

D. Wrap Fee Programs

Locust Point does not participate in any wrap fee programs.

E. Client Assets

As of December 31, 2023, Locust Point has \$1,326,771,245 in regulatory assets under management, which we advise on a discretionary basis. Locust Point does not manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Adviser Compensation

Management Fees and Performance-Based Compensation

Potential investors in a Fund should carefully read the relevant Fund's Governing Documents to understand Locust Point and its affiliates' compensation associated with that Fund. Locust Point or an affiliate typically receives two types of compensation from our Fund clients: management fees and/or, performance-based compensation for qualified clients, as that term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"). Generally, performance-based compensation is payable to the affiliated general partner of a Fund and is allocated and distributed quarterly, with a reconciliation occurring after year-end and after payments to investors are made in accordance with any waterfall distribution provisions in the Fund's Governing Documents.

Management Fees - Generally, the Funds' Governing Documents provide for annual management fee compensation to Locust Point or one of its affiliates, payable quarterly, either in arrears or in advance, for services Locust Point provides to its Fund clients. In certain Funds, the management fee rate is lower for investors who invest before certain Fund milestones, e.g., the first or second closing, than for subsequent investors, as provided in the relevant Fund's governing documents. In certain Locust Point Funds, during the Fund's investment period, or until a different specified time period has elapsed, management fees are assessed as a prescribed, fixed percentage of the total amount of capital committed to the Fund. Once the agreed, specified time period has elapsed, the management fee typically is assessed on the total invested capital of the Fund. In other Funds, management fees are always assessed on invested capital.

Performance Fees - Generally, any performance-based compensation to the Locust Point-affiliated entities that serve as general partners to each such Fund is a carried interest that is a prescribed, fixed percentage of each investor's share of the profits of the Funds, and is payable in accordance with any waterfall distribution provisions in the Fund's Governing Documents, which typically include a specified preferred return "hurdle" to investors that must be met before carried interest can be paid to Locust Point.

This section provides only a general summary of the fees and other compensation paid or payable to Locust Point and its related persons. The specific compensation terms and additional conditions of the management fee, performance-based compensation, and any other fees paid by the Funds are set forth in each Fund's Governing Documents. Each Fund's general partner, in its sole discretion, is authorized to waive, reduce or rebate all or a portion of the management fee and/or performance-based compensation including, without limitation, carried interest allocations, applicable to any investor in a Fund, including our affiliates, employees, partners, members or directors of Locust Point or its affiliates, including their respective family members.

B. Additional Fees and Expenses

As a general matter, in each Fund, the management fee and any performance fees are exclusive of certain expenses chargeable and charged to the Fund, as provided in the Fund's Governing Documents. The

description of other fees and expenses in this section is a summary, partial, and general description only. The actual, specific types of costs and expenses associated with an investment in a particular Fund are described in detail in the relevant Fund's Governing Documents.

In general, each Fund pays any and all expenses, costs and liabilities which are incurred in the conduct of the business of the Fund's general partner, the management company and the Fund itself. Such expenses generally include, without limitation, the categories of organizational and operating expenses. Without limitation, the following types of expenses are typically payable by a Fund:

- transaction fees and certain fund expenses, including but not limited to banking and custodial expenses,
- professional and other service provider costs,
- litigation costs,
- insurance,
- operational costs,
- communications expenses,
- taxes and other related costs and expenses,
- expenses related to organizing the applicable fund,
- expenses related to negotiating fund documentation,
- placement agent costs,
- expenses of leverage related to the Fund,
- filing fees and other accounting, audit, and legal fees in connection with the formation, launch, operation, and closing of the Fund.

Since such charges, fees and commissions are exclusive of, and in addition to, Locust Point's management fee and performance-based compensation, each Fund is generally responsible for these additional expenses, as described in, and subject to the limits on expenses contained in the Fund's Governing Documents. Investors should refer to the Fund's Governing Documents for a more complete discussion of the fees and expenses applicable to each Fund.

Brokerage Commissions & Fees: Locust Point does not ordinarily engage in investment or other activity on behalf of any of the Funds that would require it to transact through broker-dealers. Consequently, none of the Funds generally incurs commissions or other costs due to the execution of securities transactions through a broker-dealer. In the future, Locust Point may cause one or more of the Funds to open a brokerage account, in the relevant Fund's name, to facilitate the Fund's cash management, in which case brokerage fees would be incurred by the Fund or Funds. A discussion of Locust Point's brokerage practices may be found at Item 12 of this Brochure.

C. Compensation for Sales of Securities

Neither Locust Point nor any of its supervised persons are paid any compensation based on the purchase or sale of securities or other investment products.

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

As noted in Item 5, Locust Point Funds have fee arrangements with our clients that include performance-based compensation. More specifically, each of the Funds' general partners receives performance-based compensation from their respective Funds in the form of "carried interest." These fees are measured as a percentage of the profits of each Fund and are more fully described in the relevant Fund's Governing Documents. Any performance-based compensation charged by Locust Point Funds is in compliance with Rule 205-3, promulgated under the Investment Advisers Act of 1940, as amended ("Advisers Act"), unless that rule is inapplicable for any reason, including by reason of Advisers Act Section 205(b) or interpretive positions of the staff of the SEC.

More than one Locust Point Fund implements the same or closely similar investment strategies. Consequently, investors in each Fund should be advised there are certain risks and potential conflicts of interest associated with their investment. More specifically, performance-based compensation can create a conflict of interest for Locust Point, as there can be an incentive for Locust Point to make investments that are riskier or more speculative than would be the case in the absence of performance compensation. In addition, in situations where certain Funds will pay smaller performance compensation (due to the existence of a loss carryforward, a higher preferred return, different compensation rates and structures or otherwise), there can be an incentive for Locust Point to favor those Funds that pay higher performance compensation, for example, by allocating more opportunities to such Funds. To seek to mitigate this inherent conflict of interest, Locust Point has implemented allocation policies and procedures, approved by each Fund's Limited Partner Advisory Committee, designed to systematically allocate investments among the Funds on a fair and equitable basis (Locust Point's allocation policy is discussed more fully in Item 11.D, below).

Item 7: Types of Clients

Locust Point is a private fund manager that provides investment advisory services only to the Funds, each of which is a private credit investment fund. For each Fund, the Governing Documents set minimum amounts for investment by prospective investors. Locust Point has and may modify or waive such minimum investment requirements from time to time; however, investors in each Fund must: (i) be “accredited investors,” as defined in Regulation D under the Securities Act; (ii) either a “qualified purchaser”, as defined in the Company Act, or a “knowledgeable employee”, as defined under Rule 3c-5 of the Company Act; and (iii) meet other suitability requirements.

A. Methods of Analysis and Investment Strategies

One of the largest challenges facing the United States in the coming decades will be how to care for its growing elderly population. According to a U.S. Census Bureau, by 2034 the elderly population will outnumber children for the first time in our country's history. Millions of Americans need assistance of some kind from a caregiver, and it is estimated that an increasing percentage of the U.S. population will need facilities-based long-term care. Further, it is generally believed that as this trend develops there will not be enough seniors housing and care beds to meet this demand and that finding quality care will be more and more of a challenge. Locust Point's investment strategy is to provide senior mortgages, subordinate debt, first lien debt and preferred equity to owner-operators of seniors housing and care facilities in underserved secondary and tertiary markets across the U.S. By effectively executing on this strategy, we intend to be a meaningful part of the solution to this nationwide challenge.

Our Funds share a substantially similar investment strategy. Meeting the housing and care needs of the U.S. aging population presents an attractive investment opportunity, given the size, growth trends, and complexity of this population within a continually evolving healthcare system. The Funds' investment strategy is to provide either senior mortgage loans (primarily through the Senior Mortgage Fund), subordinate mortgage loans, or preferred equity financing (the Subordinate Debt Funds) to owner-operators of small- to mid-sized businesses in the seniors housing and care industry throughout the United States. Each Fund's loaned capital is used by the Owner-Operators primarily for acquisitions, refinancings, renovations, recapitalizations, or new construction - or any combination thereof.

Locust Point seeks investment opportunities to lend to Owner-Operators in the United States and U.S. territories, where the underlying collateral securing the debt includes the real estate interests of one or more senior housing and care facilities. Our principals, Eric Smith and Daniel Contardi, together have more than forty years of experience investing in the seniors housing and care industry.

Locust Point pursues investment opportunities following a rigorous quantitative and qualitative analysis and we employ a highly analytic, disciplined and value-driven approach. Our investment analysis process typically includes, but is not limited to, a review of the following:

- the operating expertise of the management team of a prospective Owner-Operator;
- a capital appraisal of the underlying assets collateralizing the investment;
- opportunity for appreciation of the prospective Owner-Operator's business through physical improvements, financial optimization, expense management, enhanced business services, or expansion;
- the financial and capital structure of the prospective Owner-Operator;
- the risk factors associated with the investment, and the presence of any risk-mitigating considerations;
- due diligence, including financial modeling of the investment across a range of different economic scenarios; and
- available exit strategies for the investment.

We are selective investors. Historically, the Locust Point team has rejected over 90% of potential financing requests.

We utilize an Investment Committee to review and approve or reject potential investments by our Funds. The Committee is responsible for reviewing and approving each investment before it is made by a Fund. Each member of the Investment Committee is provided with a comprehensive investment memorandum upon completion of Locust Point's underwriting and due diligence of each potential Fund investment. The investment memorandum typically includes, among other information, a summary of Locust Point's diligence and underwriting of the prospective investment, a description of the prospective Owner-Operator's business plan for its facility or facilities, and the anticipated specific use of proceeds in connection with the fund's investment.

Once a financing is approved, its performance is regularly monitored by Locust Point's Portfolio Management team. Over the last two decades we have refined and developed a post-financing portfolio management process and infrastructure specifically tailored for the types of investments to be made by the Funds. After an investment is made, Locust Point implements monitoring of the investment until the planned exit or refinancing. For each portfolio investment, the Portfolio Management team constructs a financial model which typically includes census data, profit and loss statements, balance sheets, financial covenants and underwriting assumptions. Generally, each such financial model includes customized analytics and is specific to the covenants contained in the definitive documents evidencing such portfolio investment. The Portfolio Management team also reviews information provided by Owner-Operators in compliance with the agreed reporting requirements, which typically include, but are not limited to, financial statements, compliance certificates, tax returns, inspection reports, aged accounts receivable and accounts payable reports, evidence of payment of taxes and insurance, construction reports, copies of licenses and certifications, budgets and census reports for the underlying collateral facilities.

An in-depth description of Locust Point's method of investment analysis is available to investors in the relevant Fund's Governing Documents.

While Locust Point is not an environmental, social or governance ("ESG") or Impact Fund Manager, we believe that ESG criteria can create added value while also having a positive impact on our credit decisions, investment returns, corporate culture, and our prospects for long-term success. Accordingly, we routinely evaluate opportunities to advance responsible ESG principles both at the firm level and in our role as lender and investor, to the extent doing so is consistent with our fiduciary duty to our clients. Doing so requires careful analysis of relevant criteria with consideration given to their potential impact on the performance of Locust Point's investments and management decisions. As responsible stewards of our investor's capital, we balance our fiduciary responsibility to seek optimal risk-adjusted returns with thoughtful management of ESG considerations. It is a delicate balance pursuing both of these objectives, but we remain committed.

In our investment process, we treat ESG factors and risks like other investment-relevant considerations, comprehensively assessing the credit quality of a given investment and weighing these risks against an investment's potential return and long-term impact. As we continue to consider how best to integrate ESG criteria into our investment process, consistent with our fiduciary duty to investors, we are committed to seeking investments that generate long-term value for our investors and advance solutions to achieve positive change for society and the environment. To that end, in 2020,

we formalized our commitment to ESG by becoming a signatory to the United Nations-supported Principals of Responsible Investment (“UNPRI”). Locust Point’s most recent PRI public signatory report is available at: [S3 \(unpri.org\)](https://www.unpri.org). As a member of this initiative, we are committed to making the voluntary annual disclosures relating to our funds’ and our firm’s performance with respect to ESG. A copy of Locust Point’s most recent ESG report is available on our website, at <https://www.locustpointcapital.com/>

Investing in securities involves a risk of loss that Fund clients and investors should be prepared to bear. There can be no assurance that Locust Point will achieve the investment objectives of any Fund client or investor.

B. Certain Risks Relating to Our Investment Strategy

The information contained in this Brochure cannot disclose every potential risk associated with the Fund’s investment strategy, or all of the risks applicable to investing in a particular Locust Point Fund, security or investment. Rather, it is a general description of the material risks associated with the advisory services provided by Locust Point and of investing in each of our Funds. Investors should refer to the relevant Fund’s Governing Documents for a complete list of the risk factors and other considerations applicable to an investment in a particular Locust Point Fund.

Additional Government or Market Regulation. Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the private investment fund industry in general. Certain legislation proposing greater regulation of the investment adviser and private fund industry periodically is considered by U.S. federal, state and local and non-U.S. governments, regulatory or administrative agencies, self-regulatory organizations or other similar entities. It is impossible to predict what, if any, changes in the regulations applicable to the Funds, the Fund general partners, or Locust Point, the markets in which they trade and invest, or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of our Funds, as well as require increased transparency as to the identity of the Funds’ investors.

Owner-Operator Representations. A Fund will generally seek to obtain structural, covenant and other contractual protections with respect to the terms of its financings as determined to be appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk. Of significant concern for Fund financings is the possibility of material misrepresentation or omission on the part of the Owner-Operator. Such misrepresentation or omission may adversely affect the valuation of the collateral underlying the loans or enterprise value of the companies or may adversely affect the ability of a Fund to perfect or effectuate a lien or any collateral securing the loan. Locust Point will rely upon the accuracy and completeness of representations made by companies to the extent reasonable when it makes its investment decisions but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund by a borrower, e.g., for loan service or repayment, may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Contingent Liabilities. Each Fund may, in relation to certain transactions (including transactions involving the disposition or sale of its Owner-Operators), give warranties, guarantees and/or indemnities to third parties. These arrangements may result in the incurrence of contingent liabilities for which a Fund may need to establish reserves or escrows from fund assets or from draws against the Investors' commitments. In that regard, investors may be required to return amounts distributed to them to fund obligations of a Fund, including indemnity obligations.

Current and Future Healthcare Legislation. Congress adopted legislation in 2010 that significantly reformed the nation's healthcare system and is currently contemplating additional reform measures. None of the Funds can predict what impact that current or future legislation might have on the business of the Owner-Operators or the Funds. Reforms may be implemented that adversely impact these Owner-Operators. Changes in those laws or regulations, particularly in laws and regulations relating to reimbursement under the federal Medicare and state Medicaid programs, could adversely affect the operations or financial results of the Owner-Operators to the extent they are reliant on those programs. Any future action by federal or state government limiting or reducing the total amount of funds available for those programs or the methodology of reimbursement could lower the amount of reimbursement available to Owner-Operators and adversely impact each of the Fund's investments.

Future healthcare legislation, including bills pending before the Congress and various state legislatures, may alter the financing and delivery of healthcare services provided by Owner-Operators. There are expected to be wide variations among such future and pending legislation, the bills, and the ultimate effect of such legislation, if passed, on those Owner-Operators cannot be determined.

Follow-On Investments. Following its initial investment in an Owner-Operator, a Fund may decide to provide additional funds to the Owner-Operator or have the opportunity to increase its investment.. There is no assurance that such Fund will be entitled, willing, or able to make follow-on investments. Any decision by a Fund not to make follow-on investments, or its inability to make them, may have a substantial negative impact on an Owner-Operator in need of such an investment.

General Market and Economic Risks. Investments may involve a high degree of business and financial risk, which could result in the possibility of partial or total loss of capital to an investor. Each Fund and their respective Owner-Operators may be adversely affected from time to time by such matters as: (1) changes in general economic, industrial, political, and international conditions; (2) acts of war, terrorism, or international boycott; (3) changes in taxes and prices of raw materials and components; and (4) other factors of a general nature that are beyond the control of a Fund or the Owner-Operators. Each Fund and their respective Owner-Operators may be materially and adversely affected by the unavailability of credit due to turmoil in the credit markets.

Risk of Natural Disasters, Epidemics, Terrorist Attacks, Acts of War, and Geopolitical Events. Regions in which the Funds invest, where we have offices or where we otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm, and hurricane) and epidemics/pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic/pandemic could, directly or indirectly, adversely affect and severely disrupt the business operations, economies, and financial markets of many regions and countries (even beyond the site of the natural disaster or epidemic/pandemic) and could adversely affect our Funds' investments or our ability to do business. In addition, terrorist attacks, or the fear or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect

certain investments, or geographic areas where we have offices or where we otherwise do business. Acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared), geopolitical and other events, including geopolitical tensions, economic sanctions, trade disputes, and related responses to these events, have led, and in the future may lead, to immediate and long-term disruptions and uncertainty in the U.S. and global economies and financial and capital markets, which may increase financial and capital market volatility and have significant adverse direct or indirect effects on our Funds' investments and our business. Such events, which cannot be predicted, could materially and adversely affect our Client's investments, both in the near- and long-term, general economic conditions, and market liquidity. The duration of such events can occur over multiple years and without any definitive conclusion.

In particular, any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, MERS, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Fund and such Fund's respective portfolio companies and could adversely affect each Fund's ability to fulfill its investment objectives.

The extent of such impact on a Fund and their respective portfolio companies' operational and financial performance will depend on a number of factors, including the duration and scope of such a public health emergency, the extent of any related travel advisories and restrictions, the effect on overall supply and demand, goods and services, overall availability of a trained and/or vaccinated healthcare workforce, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. Such effects may materially and adversely impact the value and performance of a Fund's respective portfolio companies, each Fund's ability to source and manage and each Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund, as the case may be. In addition, the operations of each Fund, their respective portfolio companies, the General Partner of a Fund and Locust Point may be significantly impacted as a result of government quarantine measures, voluntary and precautionary restrictions on access to seniors housing and long-term care facilities, restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Healthcare Provider Regulation and Licensing. Nursing homes and, increasingly, assisted living facilities, are subject to state and federal statutes and regulations regarding the level of care provided for residents. In addition to state laws, those facilities are often subject to the Federal Social Security Act, state Medicaid laws and regulations and the conditions of participation for the Medicare and Medicaid programs set forth in related federal regulations. Failure to comply with these provisions can lead to civil monetary penalties, temporary management by a third party, denial of payment under Medicare and Medicaid programs, directed plans of correction, directed in-service training, state monitoring, transfer of residents, closure of the facility and revocation of a state license to operate the facility. There can be no guarantee or assurance that an Owner-Operator will maintain compliance with these statutes and regulations or that such company will not be required to expend significant sums to comply with those statutes and regulations. In addition, those statutes and regulations are subject to change, and there can be no guarantee or assurance that in the future Owner-Operators will be able to comply with those changed statutes and regulations or that those companies will not expend significant amounts to comply with those changes.

Illiquidity of Fund Investments. Due to the Funds' focused investment mandates, the primary investments targeted by each Fund – financing for Owner-Operators of senior housing and care facilities – are inherently

illiquid and there is no established secondary market for such investments. Consequently, this will limit each Fund's ability to vary, or liquidate, some or all of its portfolio in response to changes in economic and other conditions. Each Fund typically will depend upon the Owner-Operator being sold, refinanced, reorganized or having a public offering to achieve liquidity for a Fund's investment, and there can be no assurance that any such event will occur.

Lender Liability. Judicial decisions in the United States have upheld the right of borrowers to sue creditors on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that a creditor has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the Owner-Operator or has assumed a degree of control over the Owner-Operator resulting in the creation of a fiduciary duty owed to the Owner-Operator or its other creditors or shareholders. As a creditor, each Fund could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for equitable subordination. As a general matter, equitable subordination can be alleged if a lender: (1) intentionally takes an action that results in the undercapitalization of an Owner-Operator to the detriment of other creditors of that Owner-Operator, (2) engages in other inequitable conduct to the detriment of those other creditors, (3) engages in fraud with respect to, or makes misrepresentations to, those other creditors, or (4) uses its influence as a stockholder or holder of other interests to dominate or control an Owner-Operator to the detriment of other creditors of that Owner-Operator. In the event such a claim is substantiated, a court may elect to subordinate the claim of the offending lender to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Because each Fund's current and anticipated investments typically involve at least one other creditor, a Fund could be subject to claims by another creditor of an obligor asserting the Fund's investments should be equitably subordinated to another creditor or creditors.

Lending Activities. Each Subordinate Fund expects to invest the majority of its investable capital in debt and the Senior Mortgage Fund expects to invest all of its investable capital in debt. Although each Fund expects a significant portion of its investments to be secured by a first or second lien on collateral, as applicable, each Fund may be exposed to losses resulting from default and foreclosure of any such investments. Therefore, the value of underlying collateral, the creditworthiness of Owner-Operators and the priority of liens are each of great importance in determining the value of each Fund's investments. No guarantee can be made regarding the adequacy of the protection of a Fund's security in the debt in which it invests. Moreover, in the event of foreclosure, a Fund or an affiliate thereof, may assume direct ownership of any assets collateralizing those foreclosed debts. Any liquidation proceeds upon a sale of those assets may not satisfy the entire outstanding balance of principal and interest on those foreclosed debts, resulting in a loss to the applicable Fund. Any costs or delays involved in the effectuation of foreclosures or liquidation of the assets collateralizing those foreclosed debts will further reduce proceeds associated therewith and, consequently, increase possible losses to a Fund. In addition, no assurances can be made that Owner-Operators or third parties will not assert claims in connection with foreclosure proceedings or otherwise, or that those claims will not interfere with the enforcement of a Fund's rights.

Unrated Debt. None of the Funds' investments are credit-rated by an independent agency, or otherwise. There are no restrictions on the credit quality of the Owner-Operators to which any Fund may issue loans. It is very unlikely that any of the Funds' loans will be rated by an independent rating agency, or otherwise. Further, whether or not rated, those loans may have speculative characteristics. The market values of lower-

rated and unrated debt securities, if there is any market for them, tend to reflect individual corporate developments and changes in economic conditions to a greater extent than do higher-rated debt instruments. The Funds' counterparty Owner-Operators are often highly leveraged and may not have more traditional methods of financing available to them. These characteristics of the Funds' counterparty Owner-Operators reflects a greater possibility that adverse changes in the financial condition of the Owner-Operator or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the Owner-Operator to make payment of principal and interest. In addition to the foregoing, the Owner-Operators' obligations to the Funds may become nonperforming for a variety of reasons. A nonperforming debt may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of principal or accrued interest due to a Fund holding the investment.

Subordinated Debt. A portion of each of the Subordinated Funds' debt investments may be made in certain high yield securities known as subordinated debt investments, which are subordinated debt securities that may be issued together with an equity security (e.g., with attached warrants). Subordinated debt investments can be unsecured and generally subordinated to other obligations of the issuer. The expected average life of each of the Subordinated Funds' subordinated debt investments may be significantly shorter than the maturity of these investments due to prepayment rights. Subordinated debt investments share all of the risks of other high yield securities and are subject to greater risk of loss of principal and interest than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of those securities may tend to fluctuate more than those for higher-rated securities. Locust Point does not anticipate a market for its subordinated debt investments, which can adversely affect the prices at which these investments can be sold. Each of the Subordinated Funds' subordinated debt investments generally may be subordinated, either contractually or structurally, to the senior obligations of an Owner-Operator, and each the Subordinated Funds' subordinated debt investments will therefore involve the additional risks attendant to investments consisting of subordinated loan positions. Adverse changes in the Owner-Operator's financial condition and/or in general economic conditions may impair the ability to make payments on the subordinated loans and cause it to default more quickly with respect to those obligations than with respect to the Owner-Operator's senior loans. In addition, each the Subordinated Funds' management of those investments and its remedies with respect thereto, including the ability to foreclose on any collateral securing those investments or to continue receiving interest and principal payments after foreclosure on any collateral securing those investments, will be subject to the rights of the senior lenders to the company or project and contractual inter-creditor provisions. These risks may be mitigated to some extent by inter-creditor agreements between the applicable fund and an Owner-Operator's senior lenders, however there can be no assurances that the Fund will be able to enter into inter-creditor agreements.

Lending to Private Companies. Locust Point anticipates that each Fund's investments will principally consist of loans to Owner-Operators. There is generally no publicly available information about those companies, so the applicable Fund must rely on information provided by the Owner-Operator and on the diligence of Locust Point to evaluate such information and to obtain additional information in connection with such Fund's lending decisions. Typically, success of these businesses depends on the management talents and efforts of one person or a small group of persons, and the death, disability or resignation of one or more of these persons could have a materially adverse impact on such Fund's loans to said companies. Moreover, these

businesses frequently have smaller product lines and market shares than their competitors, may be more vulnerable to economic downturns and often need substantial additional capital to expand or compete. Owner-Operators may also experience substantial variations in operating results. Investments involving Owner-Operators therefore involve a high degree of business and financial risk, can result in substantial losses, and should be considered highly speculative.

Owner-Operator Leverage. Each Fund's investments are expected to include financing of companies whose capital structures use a significant amount of leverage. Those investments are inherently more sensitive to declines in a company's revenues and to increases in expenses and interest rates. Investments in Owner-Operators with leveraged capital structures may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of the Owner-Operator or its industry. Those Owner-Operators may be subject to restrictive financial and operating covenants as a result of their use of leverage, which may impair these companies' ability to finance their future operations and capital needs. As a result, those Owner-Operators may have limited flexibility to respond to changing business and economic conditions and business opportunities, and their performance will depend in part on prevailing interest rates and/or other factors relating to their ability to meet their debt obligations. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money was not used. In addition, in the event an Owner-Operator does not perform as anticipated or incurs unanticipated liabilities, high leverage will magnify the adverse effect on the value of the equity of the Owner-Operator and could result in substantial diminution in or the total loss of any equity investment in the Owner-Operator.

Limited Remedies Against Owner-Operators. The practical realization of any rights upon any default by an Owner-Operator will depend upon the exercise of various remedies specified in the related transaction documents. The remedies available to each Fund upon an event of default in many respects depend upon regulatory and judicial actions that are often subject to discretion and delay. The various legal opinions to be delivered concurrently with the origination of any investment in an Owner-Operator will be qualified to the extent that the enforceability of the various legal instruments delivered in connection therewith and of certain legal rights related thereto is subject to limitations imposed by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally. Further, if a petition for relief under the Federal Bankruptcy Code were filed with respect to an Owner-Operator, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Owner-Operator and its property and as an automatic stay of any act or proceeding to enforce a lien on its property. If the bankruptcy court so ordered, the Owner-Operator's property could be used for the benefit of the Owner-Operator, as applicable, despite the security interests of a Fund, therein, provided that "adequate protection" is given to such fund as a lienholder. In addition, federal bankruptcy laws may have an adverse effect on the ability of each Fund to enforce its claims to property granted as collateral for an investment in an Owner-Operator.

Loan Default. Locust Point anticipates making loans to Owner-Operators that have limited financial resources and are able to obtain only limited financing from traditional sources. Although many of each Fund's loans will be secured by the assets of the applicable Owner-Operator, there is no assurance the loans will be timely repaid or repaid in full. An Owner-Operator's ability to repay its loan may be adversely affected by numerous factors, including the failure to meet its business plan, the death, disability or resignation of senior management, a downturn in its industry or negative economic conditions. A deterioration in an Owner-

Operator's financial condition and prospects may be accompanied by a deterioration in the value of any collateral for a loan.

Fund Use of Leverage. The Senior Mortgage Fund utilizes leverage in connection with its investments, including the use of subscription line facilities and asset-based leverage. While leverage presents opportunities for increasing the Fund's total return, it may increase losses as well. Accordingly, any event that adversely affects the value of an investment by the Fund would be magnified to the extent leverage is used. Certain rights are granted to subscription line lenders and asset-based lenders with respect to defaults, and in the event that such lenders exercise their rights, the Fund and the Limited Partners may be adversely affected.

Generally, the Senior Mortgage Fund's leverage will be achieved indirectly through its REIT subsidiary, currently LPSM REIT, (including through subsidiaries thereof). In connection with borrowings by a REIT Subsidiary, a REIT Subsidiary may pledge its assets and the Senior Mortgage Fund may serve as a guarantor for a REIT Subsidiary's obligations under some or all of a REIT Subsidiary's credit agreements. If a REIT Subsidiary were to default under such a credit facility, the lender could foreclose on a REIT Subsidiary's collateral and take possession of those assets. If a REIT Subsidiary's assets were not sufficient to satisfy its obligations to its creditors, the Senior Mortgage Fund could be responsible for the shortfall. There can be no guarantee that a REIT Subsidiary will be able to obtain appropriate amounts of leverage, or that leverage may be obtained on terms and pricing that Locust Point finds attractive. As a result, the investments of a REIT Subsidiary may not be leveraged, or may not be leveraged to a degree that would be most appropriate for the Fund. Should the appropriate amount of leverage not be obtained or used by a REIT Subsidiary, the total returns for the Senior Mortgage Fund may be lower than they would have been had such amount of leverage been used.

The extent to which a REIT Subsidiary uses leverage (directly or indirectly) may have important consequences to the investors in the Fund, including, but not limited to, the following: (i) greater fluctuations in the net assets of the Fund; (ii) use of cash flow for debt service, rather than for additional investments, distributions or other purposes; (iii) requiring the Fund to make capital calls to satisfy a REIT Subsidiary's debt obligations; and (iv) in certain circumstances a REIT Subsidiary may be required to dispose of investments prematurely to service its debt obligations. There can also be no assurance that a REIT Subsidiary will have sufficient cash flow to meet its debt service obligations. As a result, a REIT Subsidiary's exposure to losses may be increased due to illiquidity of its investments generally. The different vehicles comprising the Senior Mortgage Fund may jointly collateralize their assets or enter into cross-default arrangements, in which case the Fund could be adversely affected if such other vehicle(s) comprising the Senior Mortgage Fund (or their beneficial owners) failed to satisfy its obligations under a credit agreement collateralized by the Senior Mortgage Fund's assets (including rights to call capital). If, for tax, regulatory or other reasons the Senior Mortgage Fund vehicles are not able to enter into borrowing facilities that are jointly collateralized or contain cross-default provisions, their ability to secure financing and achieve their investment objective may be adversely affected. In the event performing investments are cross-collateralized with under-performing or non-performing assets, the Senior Mortgage Fund's interests in the performing assets may be adversely affected. If the Senior Mortgage Fund or another co-borrower defaults on secured indebtedness, the lender may foreclose and the Senior Mortgage Fund could lose its entire investment in assets that serve as collateral for such loan. The Senior Mortgage Fund may also be unable to secure permanent financing when it would otherwise want to do so, or to do so at advantageous rate, which would negatively impact the Senior Mortgage Fund's objectives and returns.

No Assurance of Investment Returns. Locust Point cannot provide investors with any assurance that a Fund's investments will generate returns, or that such returns will be commensurate with the risks of the investment strategy followed by each Fund.

Portfolio Valuation. Typically, no public market exists for investments in or loans to small and mid-sized, privately owned companies (i.e., the Funds' Owner-Operator counterparties). As a result, in the absence of readily ascertainable market values, Locust Point's valuation committee, acting pursuant to the firm's written valuation policy, will establish fair values, at least quarterly, for the investments in each Fund's portfolio. These values may differ significantly from the values that would have been established had a ready market for the Funds' investments existed.. Unlike banks and other commercial lending financial institutions, the Funds are not required to establish reserves for loan losses, or to revalue their portfolios on a semiannual basis. There can be no assurance that the Funds' asset valuations will be correct.

Locust Point anticipates that each Fund will primarily make loans directly to such Owner-Operators. Such investments will have no established trading market. The illiquidity of most of a Fund's investments may adversely affect its ability to dispose of such investments in a timely manner and at a fair price when necessary or advantageous.

Reliance on Owner-Operator Management. Neither Locust Point nor any affiliate (including any Fund) expects or intends to have or take control over the day-to-day operations of a Fund's Owner-Operators. Therefore, the success or failure of the Fund's Owner-Operators will depend to a significant extent on the financial and management talents and efforts of specific employees of those Owner-Operators, whose death, disability or resignation could adversely affect the performance of the Owner-Operator.

Reliance on Projections and Estimates. In making its investment decisions, Locust Point will rely upon projections, forecasts, or estimates with respect to a prospective Owner-Operator. Projections, forecasts, and estimates are forward-looking statements and are based upon certain assumptions. Actual events are difficult to predict, may be beyond each Fund's or an Owner-Operator's control, and may differ significantly from those assumed in generating projections. Accordingly, there can be no assurance that a Fund's estimated returns or projections can be realized or that actual returns or results will not be materially lower than estimated. Projected operating results of an Owner-Operator in which any Fund invests normally will be based primarily on financial projections prepared by each Owner-Operator's management and subject to numerous factors outside the control of each Fund. Also, general economic and regulatory factors, which are not predictable, can have a material impact on the reliability of projections.

Reliance on Third-Party Information. Locust Point may select investments for each Fund, in part, on the basis of information and data filed by issuers with various government regulators or otherwise made available, directly or indirectly, to Locust Point by third parties. Although Locust Point will evaluate such information and data and will ordinarily seek independent corroboration when Locust Point considers it is appropriate and when such corroboration is reasonably available, Locust Point may not be in a position to confirm the completeness, genuineness or accuracy of that information and data, and in some cases, complete and accurate information may not be available. Moreover, investment analyses and decisions by Locust Point may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In those cases, the information available to Locust Point at the time an investment decision is made may be limited, and Locust Point may not have access to detailed information regarding the

Owner-Operator or the collateral facilities. Therefore, no assurance can be given that Locust Point will have knowledge of all circumstances that may adversely affect a Fund investment.

Restrictions on Transfer or Withdrawal. The interests in the Funds represent highly illiquid investments and should only be acquired by investors able to commit their assets for an indefinite period of time. Investors are not be permitted to transfer their interests without the consent of the relevant Fund's general partner. Furthermore, the transferability of the interests will be subject to certain restrictions contained in the applicable fund's partnership agreement and subscription agreement and may be affected by restrictions on resale imposed under federal and state securities laws. A public market does not currently exist for the partnership interests of any Fund, and one is not expected to develop.

Cyber Security Breaches and Identity Theft. Locust Point'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, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Locust Point 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 Locust Point's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Locust Point's reputation, submit it to legal claims and otherwise affect its business and financial performance.

Litigation. Some of the activities that Locust Point engages in as part of its operations may result in litigation in which Locust Point or one or more of its Clients or affiliates could be a party. There can be no assurance that any such litigation, once begun, would be resolve in favor of any Locust Point-affiliate or Client party.

Counterparty Risk. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty that may be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a counterparty experiences such an event, a Fund may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated financial institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss. There can be no assurance that governmental intervention will mitigate or avoid the risk of loss, delays or negative impact on banking or brokerage conditions. The occurrence of a distress event described above can potentially have an adverse effect on our ability to manage the Funds which could result in disrupted capital calls and distributions, significant losses and unconsummated investment acquisitions and dispositions. Such losses could potentially cause a Fund to pay fees and expenses in the event the Fund is not able to close a transaction, result in a Fund being unable to acquire or dispose of investments at prices believed to reflect the fair value of such investments, and/or to fund its financing commitments to Owner-Operators.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Locust Point's advisory business or the integrity of Locust Point's management.

Item 10: Other Financial Industry Activities and Affiliations

10.A & B – Other Registrations and Pending Registrations

Neither Locust Point nor any of its related persons are registered or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

10.C – Relationships with Related Persons

Locust Point's Relationship with the Funds and Other Locust Point Entities

Locust Point and its affiliated general partner and management company entities provide discretionary investment management services to the Funds, as more fully discussed in Item 4. Certain inherent conflicts of interest arise from the fact that Locust Point and its affiliates provide investment management services to multiple Funds, and may in the future provide investment management services to other funds, client accounts or proprietary accounts (such other funds, clients and accounts, collectively the "Other Accounts"), in which the Funds will not have an interest.

Locust Point currently manages Funds (including both evergreen and closed-ended, and several of which are currently in their investment periods) that employ strategies that overlap with or are similar to that of other Funds. The investment programs of the Funds and future other client accounts may or may not be similar. Locust Point may give advice and recommend an investment to a Fund or another account which may differ from advice given to, or investments recommended or bought for, one or more Funds or other accounts, even though their investment objectives may be the same or similar to each other. Locust Point undertakes to manage the Funds and any other accounts diligently in pursuit of their investment objective(s), and devotes as much time to the activities of the Funds and any other accounts as it deems necessary and appropriate. If and when a conflict of interest arises, Locust Point will endeavor to ensure that the conflict is resolved fairly.

In certain instances, the two principals of Locust Point identified in Item 4.A have, and may in the future, to the extent permitted by a Fund's Partnership Agreement and its Advisory Committee, effect a certain Fund's investments through a special purpose vehicle ("Investment SPV") beneficially owned and managed by the principals of Locust Point. In such instances, neither the Investment SPV, Locust Point nor any Locust Point principal will retain any net revenue, fees or other monies other than those due had such investments been made directly by the relevant Fund. Generally, all formation expenses associated with establishing an Investment SPV and effecting investments through such vehicles are, and will be, borne by the Owner-Operator borrower in any transaction where this type of structure is employed, other than certain annual accounting, reporting and audit expenses, which will be borne by the relevant Fund in accordance with the Fund's governing documents.

10.D – Other Investment Advisers –

Locust Point does not recommend other investment advisers to our clients.

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

A. Code of Ethics

Locust Point has adopted a Code of Ethics for all employees that describes, among other things, Locust Point's standard of business conduct and fiduciary duty to its advisory clients. The Code of Ethics includes provisions relating to a prohibition on insider trading, and to personal securities trading reporting and preclearance requirements, among others. Under the Code of Ethics, Locust Point and each of its employees must place the interests of its advisory clients above any personal interests; seek to identify any material conflicts of interest, and observe established conflict resolution procedures; avoid making any misleading or inaccurate statements; report any violations of the Code, or Locust Point's compliance policies and procedures more generally, to the Chief Compliance Officer; and comply with all applicable provisions of the federal securities laws. All employees of Locust Point must acknowledge the terms of the Code of Ethics at initial hire and annually thereafter.

11.B and C – Conflicts Between Client Trading and Our Related Persons' Personal Trading

Our Funds' investments consist of senior and subordinated debt and, to a lesser extent, preferred equity and first lien debt for private companies. To the extent, if any, that these investments are securities, they are not liquid or readily marketable, so there is a limited risk of conflicts of interest between our client's investing and trading and our related persons' securities trading. Nevertheless, Locust Point maintains a restricted list of publicly-traded securities issuers, many of which are firms that operate in the seniors housing and care sector. Further, Locust Point prohibits its employees from trading for their personal accounts, as defined in the Code, in any security that would present a material conflict of interest with an advisory client. Subject to limited exceptions, each employee must periodically submit to the Chief Compliance Officer or her designee a report of the holdings and transactions in their personal accounts.

Locust Point, its employees and affiliates do not buy any securities from, or sell any securities to, its private fund advisory clients, i.e., Locust Point does not engage in principal trades.

Investors in the Fund may request a copy of Locust Point's Code of Ethics by e-mailing tmccutcheon@locustpointcapital.com.

11.D – Allocation

To mitigate any conflict of interest arising from Locust Point's advising more than one client Fund with similar strategies, i.e., side-by-side management, we have adopted an investment allocation policy to promote fairness and equity by setting clear, prescribed standards for when a particular client Fund or Funds should or should not receive or participate in a particular investment opportunity. Locust Point's allocation policy is applicable to all our Funds and was reviewed and approved by the Limited Partner Advisory Committee of each Fund.

The Subordinate Funds each have substantially similar investment strategies. Further, the investment periods for the most recent subordinate debt Fund typically overlap with that of the prior Fund for a period of time. In addition, our Senior Mortgage Fund invests only alongside one of the actively-investing subordinate debt funds. Locust Point allocates investment opportunities between our Funds consistent with our fiduciary duty to be fair to each client fund, and according to the methodology set forth in our written Investment Allocation Policy. The firm's Investment Allocation Policy details the criteria by which Locust Point allocates investment opportunities between, on the one hand, actively-investing Subordinate Debt Funds and, on the other hand, the Senior Mortgage Fund, in order to treat each fund fairly and equitably.

Briefly, the key features of Locust Point's allocation policy are:

- Which Fund has available capital to allocate, including any capital the manager reasonably expects to be callable, to fund the contemplated financing? If a fund does not have any available capital, then it will not receive an allocation.
- For allocation of senior mortgage-secured transactions, the relevant criteria are: whether the return and risk profile of the financing are high enough to meet the return and risk profile of a subordinate debt fund investment. If so, then the investment will be considered for allocation to a subordinate debt fund, according to the criteria described below in the final bulleted paragraph.
- If the return and risk profile of the financing do not meet the criteria for a subordinate debt fund and do meet the criteria for the Senior Mortgage Fund, then the Investment Committee shall consider whether:
 - There is any violation of the Senior Mortgage Fund's investment restrictions;
 - whether there is also a subordinate financing opportunity for one of LPC's subordinate debt funds, as required; and
 - whether there is an intercreditor agreement in place, as required.
- As between Fund II and Fund III, when allocating subordinate debt, preferred equity investments and loans with senior collateral: (i) during 2024, all transactions that have an Expected Realization of eighteen months or less shall be allocated to Fund II and (ii) all transactions that have an Expected Realization, as defined in the Investment Allocation Policy of greater than eighteen (18) months shall be allocated to Fund III.

Item 12: Brokerage Practices

Each of the Subordinate Debt Funds' investments consist of subordinated debt and, to a lesser extent, preferred equity and first lien debt for private companies. Each of the Senior Mortgage Fund's investments consist of senior mortgage debt for private companies. To the extent, if any, these investments are securities, they are not liquid or readily marketable. Consequently, Locust Point does not transact for the Funds through or have regular interactions with broker-dealers. Locust Point does not enter into any arrangements with broker-dealers or third parties in which it receives research or other products or services in connection with client securities transactions. Locust Point further does not enter into any directed brokerage arrangements or select or recommend broker-dealers to clients. Given the nature of the assets in the Funds, as described herein, Locust Point does not aggregate any securities orders with broker-dealers for multiple client accounts.

Item 13: Review of Accounts

Locust Point performs periodic reviews of each client's portfolio. Such reviews are conducted by the members of the firm's investment committee, management, portfolio managers and research associates. A specific review of a client's account may be triggered by any unusual activity or special circumstances.

Locust Point's investment principals regularly monitor the performance of each client's investments, including the condition of each Owner-Operator. For each Owner-Operator to which a client or clients has provided financing, Locust Point periodically reviews that company's operations, overall performance, financial performance and strategic direction and execution of the stated business objectives. Further, members of the Locust Point portfolio management team hold periodic meetings with the Owner-Operators during the pendency of each investment.

Locust Point also delivers written quarterly financial reports for each Fund, detailing the Client's and each investor's investment performance during the period, other updates, and a summary of developments in the seniors housing and care market during that quarter. Quarterly financial reports are provided to investors in each of the Funds within 45 days after the end of each quarter.

Annually, each Fund also delivers audited financial statements (including a balance sheet and a statement of income or loss) to its investors within 120 days after the end of the Fund's fiscal year.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

Locust Point does not receive economic benefits from any non-clients for providing investment advice and other advisory services to its clients.

B. Compensation to Non-Supervised Persons for Client Referrals

Locust Point has entered, and may in the future enter, into written agreements or arrangements with third party placement agents to solicit and refer prospective eligible investors in one or more of the Funds to Locust Point, or an affiliate thereof. These agreements and arrangements typically provide for certain compensation to such agents including, among other things, incentive compensation attributable to the amount of capital committed by an investor introduced to a Fund by such placement agent.

Item 15: Custody

Rule 206(4)-2 promulgated under the Advisers Act (the “Custody Rule”) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

Locust Point generally is deemed to have custody of funds and securities owned by each of its Funds, as its related persons are general partners of the Funds. Locust Point obtains an audit of each Fund on an annual basis by an independent public account that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Each Fund distributes its audited financial statements on an annual basis to all its respective investors no later than 120 days after the end of the applicable fund’s fiscal year. Further, Locust Point will maintain each Fund’s funds and securities with a “qualified custodian,” as that term is defined in the Custody Rule, to the extent the Rule requires it.

Item 16: Investment Discretion

Locust Point manages each Fund's assets on a discretionary basis. When investors subscribe to a Fund, they grant authority to the Fund to enter into a discretionary investment management agreement with Locust Point.

Item 17: Voting Client Securities

Because the type of assets Locust Point advises its clients about does not include securities of companies that issue proxy statements, it is unlikely that Locust Point will receive or vote proxies in connection with any Fund investments. Nevertheless, Locust Point has adopted and implemented policies and procedures which it believes are reasonably designed to ensure that it votes any proxies (if and when applicable) in the best interests of its advisory clients. Locust Point's proxy voting policy requires, among others, that Locust Point determine whether Locust Point or any of its employees has a conflict of interest with the interests of its advisory clients. In the event that a material conflict of interest is identified, the Chief Compliance Officer or their designee will take such steps as they determine necessary in order to vote the proxy in the best interests of Locust Point's advisory client(s). Locust Point's investors may obtain a copy of Locust Point's proxy voting policy, and a record of how proxies have been voted, by e-mailing tmccutcheon@locustpointcapital.com.

Item 18: Financial Information

Locust Point does not require prepayment of client fees six months or more in advance and does not have any financial commitments that impair its ability to meet contractual and fiduciary commitments to its advisory clients and has not been the subject of a bankruptcy proceeding at any time during the past ten years.