

Form ADV Part 2A Disclosure Brochure

MAY 1, 2015

Aequitas Investment Management, LLC
5300 Meadows Road, Suite 400
Lake Oswego, Oregon 97035
(503) 419-3500

www.aequitascapital.com

This brochure provides information about the qualifications and business practices of Aequitas Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at (503) 419-3500. 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.

Additional information about Aequitas Investment Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

This brochure is being updated to provide you with a summary of material changes that were made since it was last updated on April 1, 2014. Specifically, since that date:

- We revised Item 8 to reflect risks associated with investments in private funds and other conflicts of interest;
- We have included information on new private funds and removed content regarding closed and liquidated private funds; and
- We have added additional information regarding our affiliates, the conflicts of interest that those relationships pose, and how we mitigate those conflicts.

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ITEM 4: ADVISORY BUSINESS

Aequitas Investment Management, LLC (referred to as “we,” “us,” or “AIM” in this brochure) was organized as an Oregon limited liability company in 2006. We are a wholly-owned subsidiary of Aequitas Capital Management, Inc. (“ACM”).

Through ACM and other entities, we are primarily owned by the executive officers of AIM and/or ACM. Robert J. Jesenik, the President of AIM and the Chief Executive Officer of ACM, is the only natural person who indirectly owns 25% or more of our voting securities.

AIM exclusively manages private investment vehicles that rely on Section 3(c)1 and/or Section 3(c)5 of the Investment Company Act of 1940 (referred to, collectively, as “our Funds” or the “Funds” in this brochure) and whose securities are not registered under the Securities Act of 1933, as amended. We provide no other investment advisory services.

Our discussion of the Funds in this brochure is required by the SEC. Nothing in this brochure is, or should be construed as, an offer or solicitation to invest in any of our Funds. All offers to invest are made only by delivery of a private placement memorandum for that Fund to a specific prospective investor who is believed to be eligible or suitable to invest in the Fund.

AIM had approximately \$299,510,818 in regulatory assets under management in the eight 3(c)1 or 3(c)5 pooled investment vehicles it advises as of December 31, 2014. We manage all these assets on a discretionary basis. We do not currently manage any separate accounts for third parties.

ITEM 5: FEES AND COMPENSATION

We receive management fees for our management of the Funds. In certain Funds we also receive performance fees. Management fees are typically 2% of assets. In addition, our affiliated companies may receive other fees in connection with the Funds’ investment activities. We deduct our management fees from the assets of the applicable Fund on a monthly or quarterly basis in advance or in arrears, as outlined in each Fund’s governing documents. We may reduce or waive our management fee at our discretion.

If we were to terminate our management of one of our Funds that pays us management fees in advance, we would refund to that Fund a pro rata portion of any prepaid management fees, based on the number of days between the termination and the end of the prepaid quarter.

Performance-Based Fees and Profit Allocations

In addition to the management fees, we or an affiliate may also receive performance-based fees for certain Funds. The calculation of performance-based fees may include: a 20% carried interest on investment proceeds after the Limited Partners or Members receive their return of capital and a stated preferred return, a 20% carried interest on any excess of net income over net loss for the current and all prior fiscal years, 20% of any net capital appreciation exceeding the loss recovery amount for each capital account, or generally an allocation of the Fund’s profits after a specified return has been paid to the Fund’s investors. All performance fees are pursuant to each Fund’s governing documents which the investor receives prior to their subscription. In certain cases, we may reduce, waive or calculate the performance-based fees differently for certain investors in a Fund as long as such change does not adversely impact other investors’ interests.

Transaction-Based Fees We or Our Affiliates Receive

Our affiliated companies may receive transaction-based fees or allocations in connection with the investment activities of certain Funds. These fees may include transaction, advisory, break-up, director, origination and similar fees. In addition, our affiliated companies receive fees for originating, administering, servicing and collecting consumer receivables that certain Funds invest in, either directly or indirectly. In addition, certain Funds' portfolio companies with which we are affiliated may pay fees to our affiliates for administrative services. These fees paid to our affiliates may include certain portfolio companies' share of rent and costs of shared services.

Our affiliated companies' receipt of transaction-based compensation presents a potential conflict of interest, because it could incent us to cause our Funds to engage in transactions for which our affiliated companies receive transaction-based compensation, rather than making investment decisions based only on the Funds' needs. Our affiliated companies' right to receive transaction-based compensation is disclosed in the applicable Funds' private placement memoranda and further reviewed by the Conflicts Review Committee prior to entering into a related party transaction. Intercompany fees and charges are reviewed annually by the Conflicts Review Committee. See Item 10 for further information on the Conflicts Review Committee.

Our employees do not receive transaction-based compensation, such as asset-based sales charges or service fees for the sale of private fund interests. They do not sell any other products and do not hold themselves out as advisers to prospective investors in our Funds. Accordingly, our supervised persons advise prospective Fund investors to discuss any proposed investment with their own advisers to ensure that the investment is suitable and is an appropriate addition to their other investments.

Fees and Expenses Payable to Third Parties

Our Funds pay expenses to unaffiliated third parties in addition to the fees we and our affiliated companies receive as discussed above. For example, our Funds pay fees and expenses to third parties, such as brokerage commissions, transaction fees, custodial fees, wire transfer fees, servicing fees, lender fees, fund administration fees, and fees and expenses charged to brokerage and custodial accounts. See Item 12 below for additional information about our brokerage practices. The Funds may also pay third parties other fees and expenses incurred in connection with certain portfolio transactions, such as for legal and accounting services. This is further outlined in each Funds' private placement memorandum.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As outlined in certain Funds' governing documents, we may collect performance-based fees. A performance-based fee is an advisory fee based on a percentage of capital gains on or capital appreciation of the Fund's assets. Although performance-based fees may vary significantly among investors in a Fund, no Fund investors are charged more than an annual 20% performance-based fee.

Instead of a 20% performance based fee, certain of our Funds allocate the Fund's profits to us or our affiliates after investors have received a specified return. This waterfall calculation and profit allocation is outlined in detail in each Fund's governing documents.

Potential Conflicts of Interest

The receipt of performance-based fees could create potential conflicts of interest. Potentially, we and our affiliates can receive more compensation from Funds with a performance-based fee structure than we receive from Funds that pay only an asset-based fee. Because of the potential increased compensation, we may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the Funds that pay a performance-based fee or allocate profits to us or our affiliates. In order to mitigate this conflict, 1) generally the Funds with a 20% performance fee structure have an investment objective which differs from our other Funds or are in the process of winding up operations (and therefore not making any new investments) and 2) for our Funds with a profit allocation and similar investment objectives, we follow our internal allocation policies to allocate investment opportunities across Funds in an equitable manner. Any proposed changes to our internal allocation policy are reviewed and approved by the Conflicts Review Committee. The allocation policy is outlined in Item 12 “Brokerage Practices” and the Conflicts Review Committee is described further in Item 10 “Other Industry Activities and Affiliations.”

ITEM 7: TYPES OF CLIENTS

Types of Clients

Our only clients are our Funds, as discussed in Item 4 above. Investors in our Funds include “accredited investors” under Regulation D under the Securities Act of 1933, as amended.

Fund Investor Limitations

We limit the number and types of investors permitted to invest in our Funds. Our Funds offer their securities only in private placement transactions. Our Funds qualify for exemptions under the Investment Company Act of 1940, and the securities issued by our Funds qualify for exemptions under the Securities Act of 1933 and the Securities Exchange Act of 1934 and rely on Rule 506 under Regulation D.

We do not currently permit government entities to invest in our Funds.

Minimum Investment Requirements

We generally do not impose a minimum asset size on our Funds before they commence business. However, we may require a minimum investment by investors in our Funds, as specified in each Funds’ governing documents. We reserve the right, in our discretion, to reduce the minimum investment requirement for any investor.

Restrictions on Investment Withdrawals from Our Funds

We impose substantial restrictions on investor withdrawals from our Funds, as described in the applicable Fund’s governing documents. We reserve the right to waive the withdrawal restrictions in our discretion. If we grant a waiver, we may require the withdrawing investor to pay any transaction and other costs that are incurred as a result of the early withdrawal. We may waive certain notice requirements in our sole discretion.

Side Letters

We may allow investor side letters in our Funds.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We manage each of our Funds in accordance with the investment objective and guidelines specified in its governing documents. There can be no guarantee that any of our Funds will achieve their investment objectives.

Our Principal Investment Strategies

Our Funds primarily invest in credit strategy receivables, private equity and/or private debt investments in small to medium capitalization companies, or membership interests in other private funds. On a collective basis, our Funds' existing investments span across the healthcare, education, financial services, consumer credit, small business credit, corporate loans, and transportation industries.

Fund Investments in credit strategy receivables

Certain of our Funds invest, either directly or indirectly, in credit strategy receivables in various industries, including but not limited to, patient-pay healthcare receivables, educational loans, unsecured consumer credit, small business credit, corporate loans, and/or transportation leases (collectively, "Credit Strategy Receivables"). In most cases, the Funds indirectly invest in the credit strategy receivables by financing the underlying credit strategy receivables through the Special Member or special purpose entities ("SPEs"). The Special Member and the SPEs are our affiliates.

Other Fund Investments

Certain of our Funds primarily invest in privately issued securities of growth-oriented companies within the education, healthcare, and/or financial services industries. Another Fund holds mezzanine debt in a private company. Certain Funds invest in one or more of our affiliated companies. We also manage a feeder fund that primarily invests in membership interests of an unaffiliated master fund, which in turn invests in distressed real estate loans.

Our Methods of Analysis

Credit Strategy Receivables are allocated each month among our Funds and other affiliated companies that acquire such receivables. The allocation is based on each entity's investment objective, their cash position, the available pool of receivables, and other criteria. We manage the allocation process to verify that each of our Funds receives an allocation of program receivables consistent with our internal allocation policies. In addition, our Portfolio Management team reviews the counterparties to these strategies on an ongoing basis.

In deciding when to buy and sell private equity or private credit investments for our Funds other than the Credit Strategy Receivables described above, we use the following methods of analysis and investment strategies:

- **Quantitative Analysis** – We use mathematical and financial models in an attempt to obtain more accurate measurements of the value and risk of an investment and predict changes to its value. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.
- **Qualitative Analysis** – We subjectively evaluate non-quantifiable factors about an investment, such as the quality of management, its business plan and strategy, and other factors not readily subject to measurement. In evaluating these subjective factors, we assess information we collect through a due diligence process, including, among other things, company and industry financial information, background checks on management and site visits. We evaluate the information we obtain to determine a value for the company and predict changes to the company's value. Risks in using qualitative analysis are that the

information on which we base our judgment may be inaccurate, or that our subjective judgment itself may prove incorrect.

Risks Associated with Our Investment Strategies and Methods of Analysis

General Risks Relating to the Funds

All investments include a risk of losing the amount invested (the principal) and any profits that have not been realized. Performance of any investment is not guaranteed. Investors in the Funds should be prepared to bear the risk of complete loss of their investment.

Our judgment about the attractiveness, value, risk and potential appreciation of a particular investment may be incorrect, and there is no guarantee that a Fund's investments will perform as anticipated. The value of a particular investment may be more volatile than the market as a whole or our approach may fail to produce the intended results. Our estimate of the value of an investment may be wrong or, even if our estimate is correct, the price and value may not converge for a long time. As a result, there is a risk of loss in the value of a Fund's assets. We cannot guarantee any level of performance or that investors will not experience a loss.

There is a risk of loss of capital of investors. There can be no assurance that the Funds will be able to implement their investment strategies and investment approach or achieve their investment objective or that investors will receive a return of their capital. There can be no assurance of the Funds' ability to make distributions, generate returns for their investors, or that the returns will be commensurate with the risks of making the types of investments described therein. Investing in our Funds should only be considered by persons who can afford a loss of their entire investment.

Suitability. Our Funds are not suitable for all investors. An investment is suitable only for sophisticated investors that have the financial ability to understand the product and the willingness to accept exposure to the risks and lack of liquidity inherent in an investment in a Fund.

No control by investors. Investors do not have the ability to control the day-to-day operations of the Funds, including the selection and management of investments.

We have extensive discretion. We have extensive discretion in managing the Funds. The Funds' success is dependent, to a great extent, on our performance and ability to select successful investments. Investors have no rights or powers to participate in the management or control of the business of the Funds and must depend solely upon our abilities. Investors will not generally have an opportunity to evaluate the terms of any investment.

Management of other accounts; Allocation of investments. We sponsor, manage and participate in other securities investment activities unrelated to the Funds' activities, some of which may compete with the Funds' investment activities. To the extent that we receive better overall compensation and other benefits with respect to managing the other accounts compared to managing the Funds, we have an incentive to allocate more time to those other activities.

We have discretion in determining which investments are made by the Funds or the other accounts with or without the participation of any other person. Because we and our affiliates have fiduciary duties to the Funds and the other accounts, the interests of the Funds and the other accounts in selecting, negotiating and administering investments may conflict in some circumstances. We may give advice and take action with respect to any other account that differs from the advice that either gives or the timing or nature of action that it takes with respect to the Funds. The Funds and the other accounts have different investment strategies and expected levels of trading. In the course of providing advisory services, we may buy or sell a security for one type of client but not for another.

Further, we may buy or sell a security for one type of client while simultaneously selling or buying the same security for another type of client. We or our affiliates may be able to obtain more favorable compensation, cost reimbursement or risk sharing arrangements in connection with some investments if the Funds do not participate. These factors could influence us not to make investments on behalf of the Funds even though participation might benefit the Funds. It is our policy, to the extent practicable to allocate investment opportunities fairly among the Funds and the other accounts. See Item 6 above for further discussion of the allocation of investment opportunities.

Limited diversification. Concentration of a Fund's investments may cause Fund returns to become more susceptible to fluctuations in value resulting from adverse economic or business conditions. The Fund's portfolio may be subject to more risk than would be the case if it had a more diversified portfolio consisting of many asset classes. For instance, if a Fund incurs losses or redemptions, it may not have sufficient capital to adequately diversify the investments it holds. Therefore, the Funds' portfolios may be subject to more risk than would be the case if the Funds held more assets.

Lack of liquidity. The Funds' interests or senior notes are not registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction, and may not be transferred unless registered under applicable federal, state or other securities laws or unless an exemption from registration under such laws is available. No public market exists for the membership interests or senior notes and none is expected to develop. Accordingly, it may be difficult to obtain reliable information about the value of the membership interests or senior notes. Investors are generally not permitted to assign or transfer its membership interests or senior notes without our prior consent. We may give or withhold consent in our sole discretion. Voluntary withdrawals are not permitted except under very limited circumstances set forth in the governing documents. Consequently, investors must be prepared to bear the risks of owning an illiquid investment that involves a high degree of risk. The Funds are generally intended for long-term investors who can accept the risks associated with investing in an investment vehicle with limited liquidity.

Valuation. Initial and additional investments in a Fund, redemptions from a Fund, and the calculation of performance fees or profit allocations and some of our management fees may be based on the value of a Fund's total assets at the time of the investment, redemption or calculation of the fee or profit allocation. Most of our Funds' assets have no readily ascertainable fair market value. We, as the Funds' manager, have sole discretion to estimate the fair market value of portfolio investments. Our estimates of the value of those assets may differ from the values that would have been used had a ready market existed, and the differences could be material. Therefore, investors in our Funds bear the risk that our determinations of fair value are not correct.

Investments longer than term. Although we expect that each Fund's investments will be suitable for orderly liquidation at dissolution of the Fund, the Funds may have to sell, distribute or otherwise dispose of its investments at a disadvantageous time. As a result, the Funds may sell, distribute or otherwise dispose of its investments for a price which is less than the price that could have been obtained if the investments were held for a longer period of time. There can be no assurance that the wind up of the Funds and final distributions of their assets will be executed expeditiously.

Lack of regulatory oversight of the Funds. The Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as they rely on exemptions available to privately offered investment companies. Accordingly, the provisions of the Investment Company Act are not applicable. To ensure that the Funds are exempt from registration under the Investment Company Act, the Funds may be required to limit the number of investors to fewer than 100. However, there can be no assurances that the Investment Company Act, or rules and regulations thereunder, will not be changed or interpreted in the future so as to require

that the Funds register as investment companies. If this were to occur, this could materially and adversely affect the Funds' operations.

Mandatory withdrawal. In certain limited circumstances, investors may be required to withdraw from the Funds, in whole or in part, if it is determined that the continued participation of such investor in a Fund could materially adversely affect the Fund, for example by creating a material risk that the Fund's assets would be treated as "plan assets" of any "benefit plan investor" for purposes of ERISA. A mandatory withdrawal may have adverse effects on the Fund, the investors and/or the withdrawing investor.

Substantial costs. The Funds are subject to substantial management fees payable to AIM and costs and expenses of the Funds. Additionally, the Special Member, its SPEs, and/or our affiliates may receive other fees and compensation from the investments in the receivable portfolio programs, which will not offset the management fees otherwise payable by the Funds or investors, as applicable. For Funds issuing interests, these fees and expenses may reduce the returns in connection with the interests. For Funds issuing senior notes, these fees and expenses may cause payments on the senior notes to be delayed, reduced or terminated.

The Funds are not licensed lenders. The Funds are not licensed as lenders in any jurisdiction. Certain Funds may purchase Credit Strategy Receivables from their Special Member, SPEs or third parties in secondary market transactions. The Funds' activities in such circumstances are limited to owning, holding and financing the underlying Credit Strategy Receivables. The Funds do not conduct, and are not involved in any activities relating to the underwriting or origination of the credit strategy receivables or any activities to service, collect, modify and pursue default recovery from any Credit Strategy Receivables held by the special member or the SPEs. As a result, we believe that the Funds are either not required to be licensed or otherwise exempt from licensing in each of the jurisdictions in which the borrowers of the loans are located. However, if a governmental authority or other regulatory agency in any of these jurisdictions were to assert or determine in the future that the activities of the Funds were subject to its licensing requirements, then the business of the Funds and the value of the Credit Strategy Receivables could be materially and adversely affected, which, in turn, could result in significant, or even substantial expenses and losses to certain Funds and materially and adversely affect an investor's investment in the Funds.

We will benefit from indemnification and exculpation provisions. The Funds' limited liability company or limited partnership agreements and investment advisory agreements contain broad indemnification and exculpation provisions which limit the right of the investors to maintain an action against us to recover losses or costs incurred by the Funds as a result of our actions or failure to act. As a result, the Funds and their investors may have a more limited right of action in certain cases than they would in absence of such limitations.

Distributions in-kind. Although the Funds intend to make distributions in cash, it is possible that under certain circumstances, including liquidation of certain Funds, distributions may be made in-kind and could consist of securities for which there is no readily available public market. Securities distributed in-kind may be subject to significant restrictions on transferability under applicable securities laws or otherwise.

Risk of loss due to bankruptcy or failure of counterparties. The Funds are subject, either directly or indirectly, to the risk of insolvency of various counterparties such as the Special Member or general partner, SPEs, third parties, obligors, broker-dealers, banks and other financial institutions, exchanges and clearinghouses. The assets of the Funds or any such counterparty could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of the Funds' (or a counterparty's) assets may become unavailable to it either permanently or for a matter of years.

Risk of litigation. The Funds or the counterparties we transact with on behalf of the Funds, as independent legal entities, are subject to the possibility of lawsuits or proceedings by government entities and private parties, any of which may adversely affect the value of the Funds. It may be impossible to anticipate and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of our time and resources, which in some cases may be materially disproportionate to the amounts at stake in the litigation.

Reserves for contingent liabilities may need to be established. Under certain circumstances, we may find it necessary upon withdrawal by an investor to set up a reserve for estimated expenses, liabilities and contingencies and to withhold a certain portion of the withdrawing investor's investment. These provisions could be activated if the Fund were involved in litigation or became subject to an audit by the U.S. Internal Revenue Service (the "IRS").

Tax considerations. Changes or modifications in existing judicial decisions or in the current positions of the IRS, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could substantially reduce, eliminate or modify the tax treatment outlined in the Funds' governing documents. Although none are anticipated, the Funds may, from time to time, take tax positions that may be subject to challenge by the IRS. If the IRS does challenge such a position and is successful, there may be substantial retroactive taxes, plus interest and possibly penalties. Investors may incur tax liabilities as a result of certain Funds profits and may not receive sufficient distributions of cash to pay taxes related to such liabilities. Moreover, the recognition of income, gains and losses in any year for tax purposes may not match the economic performance of the Funds. In addition, investors who elect to reinvest distributions they are otherwise entitled to receive will not avoid tax liabilities with respect to taxable income that is required to be allocated to investors.

Taxation in other jurisdictions. Prospective investors should consider the potential state and local tax consequences of an investment in the Funds. In addition to tax requirements in its own state or locality of residence or domicile, an investor may be subject to tax requirements in jurisdictions where the Funds conduct their activities. Although no assurances can be provided, the Funds intend to conduct their activities in such a manner that it will not cause investors to be subject to tax requirements in Oregon solely due to their investment in the Funds. The Funds themselves may also become subject to tax in certain jurisdictions.

No independent advice. We have established the terms of the Funds' agreements and arrangements, which were not the result of arm's length negotiations or representations of the investors by separate counsel. Prospective investors should therefore seek their own legal, tax, regulatory and financial advice before making an investment in the Funds.

Security breaches. Certain Funds may own equity or debt in certain portfolio companies whose business activities involve holding confidential personally identifiable information. To the extent that the activities or the activities of its service providers or industry partners involve the storage and transmission of certain types of personal information, security breaches could disrupt the portfolio company's business, damage its reputation and expose it to a risk of loss or litigation and possible liability. An obligor could be liable for claims based on unauthorized purchases with credit card information, impersonation or other similar fraud claims. An obligor could also be liable for claims relating to security breaches under recently enacted or future data breach legislation and subject to negative publicity and government agency investigations. These occurrences could result in substantial costs and a diversion of management's attention and resources.

Risks with Respect to the Funds' Investment Strategies

The Funds' strategies involve a high degree of complexity and operating risk. Our trading systems and operations are dynamic and complex. Certain of our operations interface with and depend on systems operated by third

parties, including custodians, brokers, administrators, market counterparties and other service providers. We may not be able to quantify the risks or verify the reliability of such third-party systems. Certain operational risks may be intrinsic to our operations and may impact our financial, accounting or data processing or other systems, especially given the volume, diversity and complexity of our daily transactions. Periods of market dislocation or abrupt regulatory change may exacerbate operational risk. The failure of one or more systems or operations or the inability of those systems or operations to meet the Funds' evolving demands could have a material adverse effect on the Funds.

Interest rate risk. For certain of our Funds, revenues and cash flows are sensitive to interest rate changes. Changes in interest rates can affect the value of our interest-earning assets as well as the expenses we must incur on our interest-bearing liabilities, such as borrowed money. Changes in interest rates could affect the interest earned on assets differently than the interest paid on liabilities. These factors can affect our overall profitability and ability to repay senior notes.

Regulatory risks. At various times and under varying circumstances, the Funds' operations are or may be subject to governmental regulations. We believe that the Funds' operations will comply with such regulations and requirements. However, we cannot assure that the Funds will be aware of all such regulations and requirements or that approvals may be obtained with respect to future operations. The Funds will incur costs, including legal fees and licensing costs, to comply with regulations and legal requirements. These costs could adversely affect the Funds' operations.

Conflicts of interest. We and our affiliates may be subject to significant potential and actual conflicts of interest in managing the business and affairs of the Funds. Many of the transactions affecting the Funds will be with our affiliates, including investment funds or vehicles managed by us or our affiliates. We or our affiliates may receive substantial fees in connection with the Funds' transactions, including but not limited to origination fees, servicing fees, and management fees. Although we intend to act fairly, and although we have a Conflicts Review Committee that attempts to address conflict of interest issues, there can be no assurance that the Funds will not enter into arrangements under terms less favorable than it could have obtained had it been dealing with unrelated persons or that conflicts of interest will be resolved in favor of the investors. There can be no assurance that any arrangements with unfavorable terms to the Funds will not have a material adverse effect upon the business or financial condition of the Funds.

Educational loan reform efforts may impact the Funds. Certain of our funds invest in educational loans. Educational institutions are subject to extensive regulation in order to participate in various federal financial aid programs under Title IV. In addition, bills have been introduced in Congress to encourage students to focus on obtaining federal loans rather than private student loans, control student loan interest rates and restore the ability to discharge private student loans in bankruptcy proceedings. There can be no assurance that legislative or regulatory changes will not be adopted that adversely impact the student loan receivables business. Any such legislative or regulatory changes, if enacted, may have the effect of adversely affecting the Fund's performance. In addition, any such changes may substantially reduce the business of acquiring student loan receivables, in which case the Funds may not be able to purchase or finance educational loan receivables.

Relationships with educational institution programs. Aequitas (through its affiliates) has entered into a loan program agreement with two educational institution partners. These educational institution partners are under the oversight of the Consumer Financial Protection Bureau ("CFPB"), the SEC and several states related to its credit support for educational loans offered to borrowers. Any investigations that the CFPB may conduct on an educational institution may result in a negative impact on Aequitas' ability to receive any recourse from the educational institution on its defaulted student loans. Further, Funds that hold assets with exposure to student

loan receivables may suffer a loss in relation to regulatory litigation the educational institution may be involved in because of the potential rescission of the student loans, among other actions. Further, the obligors of the student loan debt obligations may develop an unwillingness to pay their debts thus limiting the Funds' ability to collect on its investments, which could have a material adverse effect on its operations and financial performance and payments on the interests or senior notes could be delayed, reduced or terminated.

Small to medium capitalization companies. Certain Funds expect to invest a significant portion of their assets, either directly or indirectly, in companies with small to medium sized market capitalizations. While we believe these investments often provide potential for appreciation, small to medium capitalization companies may involve higher risks in some respects than do investments in larger companies. For example, performance of such companies are often more volatile than the performance of large-capitalization companies.

Counterparty risks. The Funds rely, either directly or indirectly, on the ability of several counterparties (such as servicers, originators, banking partners, credit scoring partners, customer service centers, card processors, etc.) to perform several key aspects of the business and operations of the Special Member, the SPEs and the Funds. In addition, the Funds rely on others to provide maintenance and technical support for the Funds' products and services. If any such party fails to complete its obligations for any reason, the Funds may suffer a loss in relation to the default. The Funds may make future investments in other instruments. The Funds may take advantage of opportunities with respect to certain structured, synthetic, or derivative instruments that are not presently contemplated for use by the Funds or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the Funds' investment objective and legally permissible for the Funds. Special risks may apply to the Funds' investments in the future.

Proprietary systems and technology. The performance of certain Funds are highly dependent on our proprietary systems and technology. Disruptions in our computer programs and systems could interrupt the Funds' purchasing and portfolio management process and have an adverse impact on Fund performance.

Additional Risks with Respect to Fund Investments in Credit Strategy Receivables

There is a highly competitive market for investment opportunities. Each Fund directly by itself and/or indirectly through the Special Member and SPEs, competes for Credit Strategy Receivables with other established investors and lenders with substantial resources and experience. Many of these potential competitors are substantially larger and have more capital and other resources than the Funds, the Special Member or the SPEs. Some of these current and potential competitors may be able to leverage their existing resources to pay more for assets sought by the Funds, the Special Member and SPEs. The Funds will not use any leverage from borrowed funds with respect to the purchase of special member loans. However, the Funds may utilize short-term or temporary borrowing in connection with the initial acquisition of portfolio assets.

The number of appropriate acquisition opportunities for each Fund, directly for itself and indirectly through the special member and the SPEs, is limited, and increased competition for such opportunities may result in a reduction in returns obtained on Credit Strategy Receivables. There can be no assurance that the Funds will identify appropriate opportunities for all of the Funds' committed capital or that capital will be invested within a specified period. Each Fund's ability to compete in this competitive environment will affect its, the Special Member's and the SPEs' ability to acquire Credit Strategy Receivables. If the Funds are unable to acquire acceptable portfolio assets, payments on the interests or senior notes could be delayed, reduced or terminated.

The Funds are subject to economic, investment and market risk. The healthcare receivables, consumer receivables, lending and leasing markets have experienced volatility in recent years. There is no assurance that the performance of Credit Strategy Receivables, and thus the Funds' portfolio assets, will equal the performance

anticipated by the Funds. A prolonged weakness of the U.S. economy could impact customer payments, collateral values and defaults. An investment in interests or senior notes is subject to investment risk, including the possible loss of the entire principal amount invested.

Obligors may default. The success of certain Funds' investments will depend, in part, on the financial stability of the underlying borrowers of the Special Member Loans. Default by borrowers on loan payments would cause certain Funds to lose the revenue associated with such loans.

Leverage of Credit Strategy Receivables obligors. The Credit Strategy Receivables investments may include securities of companies with leveraged capital structures. Such investments will be subject to increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy, or further deterioration in the economic conditions of such company or its industry.

Reliance on Special Member and SPE financing. Certain Funds rely on the Special Member or SPEs to provide financing for the Credit Strategy Receivables offered through, or serviced by, portfolio companies. Such portfolio companies will ultimately depend on the Special Member's or SPEs' ability to provide sufficient financing to fund the portfolio company's services or products. If the Special Member or SPE were to become unwilling or unable to provide such financing, there can be no assurance that alternative sources of financing would be available.

Sub-prime obligors have higher default rates than other obligors. Certain of the Funds invest in Special Member Loans backed by Credit Strategy Receivables of performing sub-prime consumers. Performing sub-prime obligors may be less likely to repay their outstanding loan obligations, which could impact the rate at which the obligors repay their loan or lease balances, potentially adversely affecting the Funds' operations.

Economic conditions. Default rates on Credit Strategy Receivables and Special Member Loans may be significantly affected by economic downturns or general economic conditions beyond the control of the Funds, the Manager and the obligors. In particular, default rates on Credit Strategy Receivables on which the Funds are dependent for payment of Special Member Loans may increase due to factors such as the unemployment rate, prevailing interest rates, the level of consumer confidence, economic uncertainty, changes in laws, political circumstances, residential real estate values, the value of the U.S. dollar, energy prices, changes in consumer spending, the number of personal bankruptcies, disruptions in the credit markets and other factors. These factors may also affect the value and level of volatility of Credit Strategy Receivables, which could impair the Funds' profitability, result in losses, or cause payments on senior notes to be delayed, reduced, or terminated.

Risk of non-performing Credit Strategy Receivables. The Special Member and the SPEs or any other applicable servicer for the Funds (or the collection agency or other servicer selected by the Funds, the Special Member and the SPEs) may not be able to recover some or all of the unpaid balance of a non-performing Credit Strategy Receivable. The Funds must rely on the collection efforts of the Special Member and the SPEs or such other applicable servicer and the designated collection agency. The Funds are not permitted to attempt to collect payments on the Credit Strategy Receivables in any manner.

Reliance on the originators of the underlying Credit Strategy Receivables. The Funds' success or failure is highly dependent on the success or failure of the originators of the underlying Credit Strategy Receivables and the Funds' negotiated rights with those originators. If these originators are unable to conduct their business successfully or if some or all of these originators experience a material adverse effect or a complete failure of their business, it would materially and adversely affect the performance of the Funds. Additionally, if these originators default on any of their obligations to the Special Member or the SPEs (and indirectly to the Funds), the Funds' ability to execute their investment strategies could be impaired, and the financial performance of the Funds could be negatively impacted.

Risks related to the originators' early stages of development. Many of the originators of the Credit Strategy Receivables may face increased risks, uncertainties, expenses and difficulties because they are primarily online companies in the early stages of development and have a limited operating history.

Credit Strategy Receivables may not carry interest rates appropriate for their level of risk. We cannot control the level of interest rates on each Credit Strategy Receivable. If the third-party originators set interest rates for obligor loans too low, the SPE may not be compensated appropriately for the level of risk that it is assuming in financing the Credit Strategy Receivable. Alternatively, setting the interest rate too high may increase the risk of obligor non-payment. In either case, failure to set rates appropriately may indirectly impact the Funds' ability to receive returns that are commensurate with the risks it has assumed in acquiring the Credit Strategy Receivables and notes.

Risks with Respect to Fund Investments in Private Equity and Private Debt

We invest a significant portion of our Funds' assets in equity securities, primarily in small- to middle-market and financial services companies. Equity securities pose various risks, such as:

Control Risks Related to Portfolio Companies. A Fund may sometimes take a controlling position in a portfolio company, due to default or other circumstance, if it is determined to be in the best interest of the Fund. The exercise of control over a company imposes additional risks of liability. Such potential liabilities could cause the Fund to suffer losses. Some of our Funds have designated directors to serve on the boards of directors of certain portfolio companies. The designation of directors could expose such Fund to claims by the portfolio company, its shareholders or its creditors. On the other hand, a Fund sometimes will not have control of a portfolio company and may not be able to control the timing or occurrence of an exit strategy for that portfolio company. When a Fund invests in a minority position in a portfolio company, the Fund must rely significantly on the existing management and board of directors of such company.

General Business Risks Related to Portfolio Companies. Investments in portfolio companies include the potential risk of an increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or further deterioration in the economic conditions of such company or its industry. As such, the portfolio companies that a Fund has invested in may be unable to generate sufficient cash flow to meet its financial obligations. Accordingly, the value of the portfolio company could be significantly reduced or even eliminated due to further credit deterioration.

Future Financing Needs. Some of our Funds' investments include investments made in companies operating at a loss or with significant variations in profitability. These companies may need substantial additional capital to continue operations. They may be dependent, in whole or in part, on additional investment of capital by our Funds or by our affiliated companies. Our Funds and affiliated companies may choose not to make such follow-on investments. Any decision not to make a follow-on investment, or our Funds' and affiliated companies' inability to make the investments, may have substantial adverse effects on the portfolio company in need of such capital and is likely to decrease the value of the company and the value of the Funds holding the investment in the company. Conversely, should our Funds and/or affiliated companies choose to make follow-on investments, there can be no assurance that such investments will result in a favorable outcome to our Funds.

Credit risk. Debtors may fail to make interest and/or principal payments on their debt obligations, or their payments may not be made when due. In addition, the credit quality of securities may be lowered if a debtor’s financial condition changes. Lower credit quality may lead to greater volatility in the value of a debt obligation, and that may affect liquidity and our ability to collect on or sell the debt obligation.

Distressed real estate. We manage a Feeder Fund which invests in securities issued by the Master Fund. The Master Fund invests in distressed real estate. These investments face a risk of loss associated with the significant fluctuation and cycles in value and specific market conditions may result in occasional or permanent reductions in the value of the Fund’s assets. In addition, the Master Fund is not actively managed by AIM.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of us or the integrity of our management. We have no events to report under this item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Financial Industry Affiliations

We are a wholly owned subsidiary of ACM. ACM is the sponsor and manager of other private investment vehicles. Some of the existing or future private investment vehicles may make investments similar to those made by our Funds, and may at times participate with one or more of our Funds in the same investments. This participation and allocation of investment opportunities is governed by our Allocation policies. Our investment committees are responsible for approving all investments our Funds make. These committees (or certain members of the committees) also approve investments made by other private investment vehicles that ACM manages. These committees are likely to be responsible for approving transactions for additional investment vehicles that we or ACM form in the future. We, ACM and the members of these committees may face conflicts of interest in allocating investment opportunities among these affiliated investment vehicles. We provide additional information about our Investment Committees and the Conflicts Review Committee below.

Other Investment Advisers Affiliations

The following SEC registered investment advisers (“RIA”) are considered related persons to AIM. These RIAs are separately managed.

Private Advisory Group, LLC – Private Advisory Group, LLC (“PAG”) is under common ownership with AIM. PAG provides investment advisory services to their clients. PAG may recommend an investment in a Fund if suitable for their advisory client’s portfolio and the investor is accredited. We will benefit from the investment of client assets in the Fund by collecting management fees and possibly performance based fees depending on the Fund. Our affiliate will benefit from increased revenue derived from PAG’s advisory business including any asset based advisory fees PAG charges on the client assets it manages. Our affiliate may offer special terms, including enhanced interest rates to clients of PAG. PAG performs their advisory activities independently of our affiliate and have an investment committee independent of ACM.

Strategic Capital Alternatives, LLC – Strategic Capital Alternatives, LLC (“SCA”) operates a turnkey asset management platform (“TAMP”). RIAs who utilize the SCA TAMP may also invest their accredited investors’ assets in our Funds or private investment vehicles if such investments are suitable for their clients. We will collect

management fees from these investors if they invest in our private funds through the management fee charged by the Fund to the investor. ACM may introduce RIAs to SCA and receive a percentage of any revenue that the RIA may generate if the RIA uses the TAMP. Our affiliates also benefit from increased revenue generated by increased use of SCA by RIAs. SCA performs their own advisory activities and has an investment committee independent of ACM.

Other Industry Activities

Aequitas Capital Partners (ACP) – ACM and our affiliates have relationships with RIAs and offers our private investment vehicles to the RIAs’ accredited clients. ACM, through its ACP group, may provide education and training to the RIA firm and/or may provide capital in the form of debt or equity to assist with the RIA’s growth needs. Brokers that sell our investment products on behalf of ACP-affiliated RIAs will receive compensation. RIAs that reach a certain level of investor assets that are invested in our or ACM’s investment products may receive additional business support services and be invited to join the ACP Quarter Club. Quarter Club members may have access to operational services from ACM, such as the creation of marketing collateral for the RIA, or technology or operational support. In addition, Quarter Club members may have access to the Aequitas Financial Services Network described below.

Aequitas Financial Services Network (AFSN) - Aequitas has organized a network of companies that offer RIAs various services for their business. Certain RIAs within the ACP network may receive information for business services provided by companies that are part of AFSN.

Aequitas Commercial Finance, LLC – Aequitas Commercial Finance, LLC (ACF) is our wholly owned affiliate and may lend capital to RIA firms seeking to expand their operations. In addition, certain of our Funds may utilize ACF to facilitate their indirect investments in Credit Strategy Receivables.

Circle Squared Institute – Another affiliate has invested with Sica Wealth Management, LLC to create an online training forum called Circle Squared Institute. This forum provides education and training for RIAs in a variety of investment strategies, asset allocation techniques, and general market information, focused on alternative investment products and strategies. ACM may provide educational information and also provides the operational platform through a portfolio company for the Circle Squared Institute.

Conflicts of Interest

Many of the transactions involving our Funds are with our affiliated companies. Such transactions may result in one or more conflicts of interest. Our Funds, affiliated companies (including affiliated investment vehicles) and/or certain executives of AIM or ACM may:

- Engage in transactions with our Funds, including purchasing portfolio securities (such as notes or receivables) from, or selling portfolio securities to, another affiliated investment vehicle.
- Recommend investments to our Funds in which our Funds, our affiliated companies or such executives are already invested.
- Recommend that our Funds and other affiliated companies invest at the same time (that is, co-invest) in particular investments. Some of the affiliated investment vehicles pursue investment strategies similar to those of other affiliated investment vehicles, so we and our affiliates may face conflicts in allocating investment opportunities among the investment vehicles we and our affiliates manage.

- Cause our Funds to enter into dealings with third parties having a financial or business relationship with our affiliated companies, including providing investment banking or financial advisory services to portfolio companies held by our Funds.
- Cause our Funds to lend money to, or borrow money from, one of our affiliated companies.
- Cause our Funds or our affiliated companies to lend money to portfolio companies held by our Funds.
- Provide services to our Funds, and receive compensation for providing such services, as discussed in Item 5 above.
- Personally invest, directly or indirectly, in certain of our Funds, our affiliated investment vehicles, or in their portfolio companies. We discuss certain preapproval requirements we impose on the trading activities of our supervised persons and Access Persons in Item 11 below.
- Serve as special members or General Partner of our Funds. In addition, each Fund's special member and general partner (as applicable) has complete voting control over the Fund's equity interests, except in exceptional circumstances described in the Fund's limited liability company or limited partnership agreement.

Furthermore, certain of our executive officers are also executive officers of our affiliated companies, so they are responsible for business activities in addition to the management of our Funds. While our executives intend to devote such time to each of our Funds as they consider necessary, conflicts may arise in the allocation of time among their various business activities.

Investment Committees

All investments by our Funds, including all transactions with our affiliated companies, must be approved by one of our investment committees (the Investment Committee or the Public Securities Investment Committee). The Public Securities Investment Committee approves all transactions relating to publicly traded securities. The Investment Committee approves all other transactions. All of the committee members are executive officers of AIM or ACM or serve on ACM's advisory board.

Conflicts Review Committee/Limited Partner Advisory Committee

In addition to being approved by one of the investment committees, the Conflicts Review Committee must review and approve certain transactions. The Conflicts Review Committee consists of certain third parties appointed by ACM. Members of the Conflicts Review Committee also act in the capacity of Limited Partner Advisory Committee ("LPAC"), but may not be limited to limited partners or members of our Funds. References to the Conflicts Review Committee as used herein refer jointly to both the Conflicts Review Committee and the LPAC.

Each Fund is authorized to reimburse members of the Conflicts Review Committee for their out-of-pocket expenses incurred in connection with the Fund's business and to indemnify them to the maximum extent permitted by law. Currently, AIM pays each member's quarterly retainer fee.

Prior to a transaction between affiliated entities (such as a Fund selling or purchasing securities to or from an affiliate or a Fund lending money to an affiliate), the Conflicts Review Committee either: (a) reviews and renders its opinion about the particular transaction; or (b) has reviewed and approved the methodology and parameters that the type of transaction must satisfy. The Conflicts Review Committee also reviews and renders its opinion on all other conflicts-of-interest matters submitted to it. In addition, the Conflicts Review Committee approves parameters for certain services that an affiliated company provides to our Funds.

When the Investment Committee, the Public Securities Investment Committee, or the Conflicts Review Committee deems it advisable, such committee will require us to undertake additional protections to determine that certain related-party transactions are on fair and reasonable terms. For example, prior to one of our Funds making an investment in, or loan to, a company whose securities are owned by an affiliated fund, the Conflicts Review Committee or one of our investment committees may require that we obtain an independent third-party valuation of the company.

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

We have adopted a code of ethics and an insider trading policy (collectively, the “Code”) for the purpose of instructing our personnel and the personnel of our affiliated companies in their ethical obligations. The Code also provides rules for their personal securities transactions. We and our personnel owe a duty of loyalty, fairness and good faith to our Funds and to the investors in our Funds. We and our personnel must adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that include 1) general ethical principles, 2) internal controls to identify and address conflicts of interest, 3) limitations on, or preapproval requirements for, outside business activities, 4) requirements for reporting personal securities trading, 5) restrictions on purchasing securities in certain types of transactions, and 6) requirements for reporting ethical violations, distributing the Code, and reviewing and enforcing the Code. Personal trading restrictions and preclearance requirements, as well as securities reporting requirements, apply to our Access Persons (our management personnel and others who have access to our nonpublic investment recommendations or decisions). In addition, Access Persons would need preapproval before engaging in personal transactions involving our Funds’ portfolio companies or companies whose receivables are held by our Funds.

No Access Person may buy a security from, or sell a security to, an affiliated company except with the preapproval of the CCO. We are not precluded from causing an affiliated company to buy or sell a security issued by the company in which an Access Person is interested if one of our investment committees determines that such purchase or sale is in the best interest of the affiliated company.

A copy of our Code may be obtained by contacting our Chief Compliance Officer at (503) 419-3500 or the address specified on page 1 of this brochure.

ITEM 12: BROKERAGE PRACTICES

Broker Selection

The transactions our Funds enter into are generally private transactions that do not require the services of a broker-dealer. When a broker-dealer is needed, we have full discretion to select the broker-dealers to execute such transactions. In selecting a broker-dealer for a transaction or series of transactions involving our Funds, we may consider a number of factors, such as: access to the markets for the securities being traded, the net price of the trade, the financial stability and reputation of the broker, the quality of the broker’s investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping, or other services provided by such broker.

If we trade in securities where we are charged commissions, we negotiate the commission rates our Funds pay to these broker-dealers.

We do not enter into agreements to receive research or other products or services in connection with executing Fund transactions with broker-dealers (often called “soft dollar” benefits). If we executed securities transactions through broker-dealers, we may be provided unsolicited research. This research may be used for the benefit of all our Funds, even though only certain Funds may have paid commissions to the brokers who provided the research.

We receive referrals of prospective Fund investors from certain independent broker-dealers and finders. If applicable to the Fund, we may execute securities transactions through broker-dealers that make such referrals. We have not entered into any arrangement that requires us to execute transactions through referring broker-dealers.

Aggregation and Allocation of Transactions

Our Funds’ transactions are private transactions, therefore, we typically do not aggregate trades for our Funds.

If more than one Fund invests in the same private investment at the same time as another Fund (a co-investment), we follow our internal allocation policies regarding the allocation of investment opportunities across funds which may have similar investment objectives. We will make such investments on the same terms for the Funds included in the allocation. We make allocation decisions based on each Fund’s investment objectives, available cash, other existing or contemplated investments, and other factors the investment committee considers relevant.

If more than one of our Funds is buying or selling a publicly traded security at the same time, we allocate pro-rata the securities among the Funds trading in the security. Each Fund will pay the average share price for all transactions effected for our Funds in that security on a given date, with all transaction costs shared on a pro-rata basis.

Trade Errors

If a trade error occurs in a Fund transaction, we will make the Fund whole, so it is not disadvantaged. Any net gain resulting from an error will be donated to an independent charitable organization.

ITEM 13: REVIEW OF ACCOUNTS

Portfolio investments made by our Funds are monitored by members and attendees of our Investment Committee. The Investment Committee meets regularly to review investment opportunities, portfolio performance, asset allocation, portfolio diversification, investment levels, and valuations. All investments made by our Funds are approved by one of the Investment Committees, and may also be reviewed or approved by the Conflicts Review Committee, as discussed in Item 10 above.

Our analysts also monitor our Funds’ portfolio investments at least quarterly and report their findings to the Investment Committee and, if applicable, to the Public Securities Investment Committee. The analysts systematically monitor the financial performance, operational performance and strategic direction of each portfolio company whose securities are owned by one or more of our Funds. They monitor the applicable investment attributes of other investments in our Funds. We also monitor risk on an ongoing basis through a quarterly review analysis of market, credit, liquidity and operational risk.

We send each Fund investor a quarterly statement showing the activity in the investor’s capital account during the previous quarter. In addition, we send Fund investors a quarterly investor letter discussing the Funds’ activity during the preceding quarter.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We do not compensate others for developing new collective investment vehicles for us to manage or advise. However, we or our affiliated companies have entered into arrangements with individuals or organizations which may refer potential investors to us or our affiliated companies to invest in our Funds. While the specific terms of the arrangements differ, compensation paid to a registered broker-dealer generally is based on the value of any investment the referred investor makes in one or more of our Funds. Investors who invest in our Funds through registered broker-dealers may pay sales commissions to the broker-dealer. We receive referrals from our affiliated RIAs and RIAs within ACP. We pay a broker-dealer related to SCA for certain of these referrals.

Our affiliates may be compensated as described in Item 5. In addition, ACF or an affiliate may provide loans to RIAs. These loans stipulate an interest rate payable to ACM or ACF. AIM does not receive interest payments for these loans made to RIAs. These RIAs may be a part of the ACP network and may refer investors to the Funds.

ITEM 15: CUSTODY

As the manager of our Funds, we are deemed to have custody of the Funds' assets. We place our Funds' cash and securities with a bank, registered broker-dealer or other "qualified custodian." We do not have physical custody of our Funds' cash or securities. The annual financial statements of each of our Funds are audited and distributed to investors in the Fund.

ITEM 16: INVESTMENT DISCRETION

We have full discretion to determine the securities bought or sold by our Funds, subject to any limitations on our investment authority specified in the applicable Fund's governing documents.

ITEM 17: VOTING CLIENT SECURITIES

Our proxy voting policy applies only to publicly traded securities. As of the date of this brochure, none of our Funds hold any public securities. If any of our Funds were to hold publicly traded securities, we would have authority to vote proxies on behalf of our Funds. Our proxy voting policy requires us to vote proxies consistent with the best economic interest of the investors in the applicable Fund. The analyst for a Fund generally votes proxies on behalf of that Fund, with the approval of any one member of the Public Securities Investment Committee. However, the Public Securities Investment Committee will decide how to vote the proxy if: (a) the analyst has a personal interest in the security or the portfolio company; (b) we and our affiliates have more than a 10% interest in the portfolio company; (c) the proxy contains material ballot items; or (d) if the analyst's proposed vote is different from the recommendation of the portfolio company's board.

We do not vote proxies with respect to securities issued by private companies. We vote those securities in person.

Investors in our Funds may obtain a copy of our proxy voting policy or information on how we voted securities in a Fund by sending a written request to:

Aequitas Investment Management, LLC
 Attn: Investment Committee
 5300 Meadows Road, Suite 400
 Lake Oswego, OR 97035

ITEM 18: FINANCIAL INFORMATION

We must disclose any financial condition that could impair our ability to meet our contractual obligations to our Funds. We must also describe if we have been the subject of any bankruptcy proceeding within the last 10 years.

We have no financial matters to disclose applicable under Item 18 and we have never been the subject of a bankruptcy proceeding.