

Amherst Capital Management LLC

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Form ADV Part 2A **March 30, 2016**

This brochure (“Brochure”) provides information about the qualifications and business practices of Amherst Capital Management LLC (“Amherst Capital”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at 512-342-3043. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Amherst Capital Management LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. Registration of an investment adviser does not imply any level of skill or training.

Item 2. Summary of Material Changes

Following is a summary of material changes we have made to our Brochure since we filed our last annual update on March 30, 2015.

- The following sections have also been updated to include a new private fund reflecting our residential real estate strategy:
 - Item 4. Advisory Business has been amended to include additional information about our advisory business
 - Item 5. Private fund fee information has been amended to include the fee schedule for the private funds
 - Item 6. Conflicts of interest disclosure has been amended to include disclosures on side-by-side management, conflicts of interest relating to proprietary accounts, conflicts of interest relating to the management of multiple client accounts, conflict of interest relating to our mortgage and residential real estate strategies
 - Item 8. Methods of Analysis, Investment Strategies and Risk of Loss has been amended to include disclosure regarding our public securities mortgage strategies and residential real estate strategy and risk information
 - Item 10. Other Financial Industry Activities and Affiliations have been amended to include disclosures about Amherst Holdings, outside business activities, dual officers and employees, affiliated service providers, affiliated broker-dealers and investment advisers, affiliated private funds and sponsors and affiliated underwriters
 - Item 12. Brokerage Practices has been amended to include disclosures regarding directed brokerage, use of affiliated broker-dealers, trade aggregation, trade allocation and trade errors
 - Item 14. Client Referrals and Other Compensation was amended to add information regarding unaffiliated solicitors and placement agents

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Item 4. Advisory Business

Amherst Capital is a limited liability company organized under the laws of the State of Delaware. We are an indirect majority-owned subsidiary of Standish Mellon Asset Management Company, LLC (“Standish”), which is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”). Amherst Capital is also a minority-owned subsidiary of Amherst Holdings, LLC (“Amherst Holdings”).

Amherst Capital was formed in November 2014 and commenced its investment advisory business in February 2015. We provide investment advisory services to institutional and high net worth investors through pooled investment vehicles (private funds).

We provide discretionary investment advisory services to private funds exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and whose securities are exempt from registration under the Securities Act of 1933, as amended (each a “Fund” and collectively, the “Funds”). We currently manage three Funds: one that employs leverage as part of its private mortgage investment strategy (the “Levered Fund”), one that does not employ leverage as part of its private mortgage investment strategy (the “Unlevered Fund” and collectively, the “CRE Funds”) and one that invests primarily in single family residential homes and multi-family properties (the “SFE Fund”). The Funds are structured as limited partnerships and the applicable general partner of each Fund is an affiliate of Amherst Capital (collectively, the “General Partner”).

The primary investment strategy of the Levered and Unlevered Funds is to originate and invest in non-recourse first mortgage loans backed by institutional quality commercial real estate properties (the “Loans”). Commercial real estate securing the Loans is expected to consist primarily of office, retail, multifamily, industrial, mixed-use, and hotel properties. The primary strategy of the SFE Fund is to invest directly or indirectly in single family residential homes and multi-family properties meeting specified criteria.

As an investment adviser, Amherst Capital identifies investment opportunities and participates in the acquisition, financing, monitoring and disposition of investments for each Fund. We provide investment advisory and management services to each Fund pursuant to a separate investment management agreement (each, an “Investment Management Agreement”). The terms of the investment advisory services to be provided to a Fund, including any specific investment guidelines or restrictions, will be set forth in the Fund’s Investment Management Agreement. Investment guidelines for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund. Investment advisory services will be provided directly to the Fund and not individually to the investors in the Funds.

Amherst Capital or its related entities also may enter into side letter agreements with certain investors in the Funds providing such investors with different or preferential rights or terms, including but not limited to different fee structures and co-investment rights. Amherst Capital and its related entities will have no obligation to offer all such additional rights, terms or conditions, to any other investor in such Funds, except to the extent required by the organizational or offering documents of the applicable Fund. Once invested in a Fund, investors will generally not be able to impose additional investment guidelines or restrictions on such

Fund. For these reasons, we will not be able to tailor the investment advisory services provided to the Funds to meet individual investor needs or impose individual investment restrictions on the investment strategies for underlying investors in the Funds.

Amherst Capital provides certain non-discretionary portfolio analytics and investment research services to Standish pursuant to a negotiated intercompany agreement.

As of December 31, 2015, we manage \$7.04 billion, on a discretionary basis. This amount includes assets pertaining to certain discretionary multi-sector fixed income clients of our affiliate Standish, for which certain Amherst Capital employees provide advice acting as dual officers of Standish. In addition, discretionary portfolios with approximately \$455 million are managed by certain of our employees in their capacity as dual officers of The Dreyfus Corporation (“Dreyfus”).

Item 5. Fees and Compensation

Fund Fees:

Amherst Capital charges a management fee to each Fund, which is indirectly borne by investors in the Fund. The Management Fee will generally be payable out of the Fund’s assets as follows:

- 1) The Levered Fund charges a Management Fee, quarterly in arrears, during the Investment Period equal to (a) 75 basis points (“bps”) of committed but unfunded capital, and (b) 150 bps of funded capital, and after the Investment Period equal to 150 bps of Net Equity Invested
- 2) The Unlevered Fund charges a Management Fee, quarterly in arrears, during Investment Period equal to (a) 25 bps of committed buy unfunded capital, and (b) 50 bps of funded capital, and after Investment Period, equal to 50 bps of Net Equity Invested
- 3) The SFE Fund charges a Management Fee 100 bps per annum, quarterly in advance based on capital contributions.

Each Fund’s Investment Management Agreement, organizational documents, offering documents and/or other documentation received by each investor prior to investment in such Fund (together with any applicable side letters, the “Governing Documents”) provide detailed information regarding applicable fees and expenses. Negotiations with prospective Fund investors may cause some investors to bear fees that are different from the basic fee schedules described above.

Consistent with the Governing Documents of the Funds, each Fund will also generally bear all of the costs and expenses relating to the organization and operation of the Fund and any subsidiaries, and the General Partner shall bear the accounting and bookkeeping costs of the Fund and any subsidiaries. Please see the applicable Fund’s Governing Documents for further information regarding fees and expenses.

Further, the Funds will also make incentive allocations or performance payments to the applicable General Partner. Please see Item 6 of this Brochure for more information on such

allocations or payments. Please see Item 12 of this Brochure for more information on brokerage and certain other transaction costs.

Public Mortgage Fees:

Amherst Capital will establish the precise amount of and the manner and calculation of, the advisory fees for the public mortgage strategies as modified by negotiations with investors.

Negotiated Fees:

We reserve the right, in our sole discretion, to negotiate or modify (either up or down) the basic fee schedules set forth above for any client due to a variety of factors, including but not limited to: the level of reporting and administrative operations required to service an account, the investment strategy or style, the number of portfolios or accounts involved, and/or the number and types of services provided to the client. Because our fees are negotiable, the actual fee paid by any client or group of clients may be different from the fees reflected in our basic fee schedules set forth above.

From time to time, we may enter into different compensation arrangements with other clients, including arrangements providing for compensation on the basis of a share of the capital gains upon, or the capital appreciation of, the funds, or any portion of the funds of a client, in accordance with and to the extent permitted by Section 205-3 of the Investment Advisers Act of 1940, as amended (“Advisers Act”), and the rules and regulations promulgated thereunder.

General Sales Fee Information:

We do not charge or receive compensation in connection with the sale of investment products. Currently we have no plans for our employees or supervised persons to accept compensation for the sale of the Funds or other investment products we manage.

Non-discretionary Investment Research Service Fees:

Under our negotiated intercompany services agreements, we receive fees for certain non-discretionary portfolio analytics and investment related research services provided to our affiliates.

Item 6. Performance Fees and Side-by-Side Management

Advisers are subject to certain fiduciary standards under federal law and owe clients an affirmative duty of utmost good faith to act solely in the best interests of the client and to make full and fair disclosure of all material facts, particularly where the adviser’s interests may conflict with the client’s best interest. In this section, we describe our performance based fee arrangements and our side-by-side management activities and the inherent conflicts in such arrangements.

The Funds will generally make quarterly distributions (or more frequently if determined by the General Partner) to their partners out of net cash available for distribution (i.e., after the payment of Fund-level expenses, including Management Fees), as set forth in each Fund's Governing Documents. Such distributions will first pay a negotiated preference amount to investors, then fund a return of capital, and finally will be split between the investors based on their pro rata portion of invested capital (on the one hand) and the General Partner (on the other hand) as follows:

- 1) After a 6.5% hurdle rate or preferred return is achieved by investors in the Levered Fund, the Levered Fund makes a 20% performance payment to the General Partner, with the remaining 80% of the Fund's profits paid to the Fund's investors.
- 2) After a 3.0% hurdle rate or preferred return is achieved by investors in the Unlevered Fund, the Unlevered Fund makes a 6% performance payment to the General Partner, with the remaining 94% of the Fund's profits paid to the Fund's investors.
- 3) After a 7% hurdle rate or preferred return is achieved by investors in the SFE Fund, the SFE Fund makes a 15% performance payment to the General Partner, subject to a catch-up for the General Partner and a claw-back, all measured based on 24-month vesting periods.

For more detailed information on how performance allocations are calculated for our Funds please refer to the applicable Governing Documents. Amherst Capital will establish the precise amount of, and the manner and calculation of, these amounts as modified by negotiations with investors in the applicable Fund. The General Partner's entitlement to incentive or performance-based distributions may create an incentive for Amherst Capital to take risks in managing the Funds that it would not otherwise take in the absence of such arrangements.

Additionally, making incentive or performance-based distributions at different rates may create an incentive for Amherst Capital or its affiliates to disproportionately allocate time, services or functions to vehicles where the rate is higher, or to allocate investment opportunities to such vehicles. However, Amherst Capital will have policies and procedures in place that, among other things, seek to ensure that investment opportunities are allocated in a manner that Amherst Capital believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. See Item 11 of this Brochure regarding allocation of investment opportunities for additional information relating to how conflicts of interests are generally addressed by Amherst Capital.

Side-by-Side Management:

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts/investment products. For example, certain Amherst Capital employees simultaneously serve as officers through dual officer relationships ("Dual Officers") with affiliated investment advisers which manage separate accounts, mutual funds and private funds, giving rise to a variety of potential and actual conflicts of interest for our employees. These Dual Officers

undertake investment management duties for the affiliates of which they are officers. Please see Item 10 for more information on our Dual Officer arrangements.

Conflicts of Interest Relating to “Proprietary Accounts”:

Amherst Capital, its affiliates, existing and future employees will from time to time manage and/or invest in products or have accounts we manage and we or our affiliates may establish “seeded” funds or accounts for the purpose of developing new investment strategies and products (collectively “Proprietary Accounts”). Investment by us, our affiliates, or our employees in Proprietary Accounts may create conflicts of interest. We have an incentive to favor these Proprietary Accounts by, for example, directing our best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. We also have an incentive to dedicate more time and attention to our Proprietary Accounts. We have policies and procedures in place related to proprietary accounts, trade allocation and trade aggregation designed to mitigate these conflicts of interest. Please see Item 12 for more information.

Conflicts of Interest Relating to the Management of Multiple Client Accounts:

Amherst Capital and its affiliates perform investment advisory services for various clients. We may give advice and take action in the performance of our duties with respect to any of our other clients which may differ from the advice given, or the timing or nature of action taken, with respect another client. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client, if it is undesirable or impractical to take such action. We may give advice or take action in the performance of our duties with respect to any of our clients which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of their clients. Further, we may provide discretionary investment advisory services for some clients while providing non-discretionary investment advice for other clients in the same strategy. This creates conflicts including, with respect to the timing of trades and the potential for frontrunning.

Conflict of Interest Relating to Standish Public Mortgage Real Estate Strategy:

Effective November 2, 2015, Standish’s Mortgage Real Estate team became employed by Amherst Capital and remained as Dual Officers of Standish for the limited purpose of providing investment management and trading for certain legacy Standish multi sector clients utilizing a real estate mortgage-backed securities component in their strategy. This arrangement creates certain potential conflicts of interest for Amherst Capital. These Amherst Capital employees are subject to the supervision of Standish senior management and follow the policies and procedures of Standish when managing these mortgage real estate strategies, which could potentially differ from those applied by Amherst Capital for its other clients. Amherst Capital expects in the future to trade in real estate mortgage-backed securities. Trading real estate mortgage-backed securities for multiple advisory firms could result in Amherst Capital employees improperly using trading or holdings information of one group of clients to disadvantage another group of clients. Amherst Capital compliance will employ policies and procedures which include monitoring

across both affiliated investment managers to detect and avoid these conflicts. In addition, confidential information will be shared across the affiliated investment managers.

In their capacity as Dual Officers of Standish, certain employees of Amherst Capital manage the public mortgage component of Standish multi sector client strategies. These employees are subject to the supervision of the Standish investment team and the Chief Investment Officer (“CIO”) in so far as their activities impact Standish clients.

Amherst Capital has implemented policies and procedures to address these potential conflicts. Standish’s policies and procedures relating to portfolio management and trading have been aligned with those of Amherst Capital. In addition, both Amherst Capital and Standish are subject to the same restricted trading list to mitigate any potential information sharing risks.

Item 7. Types of Clients

Amherst Capital’s clients are the Funds. Additionally, Amherst Capital provides certain non-discretionary portfolio analytics and investment research services to Standish pursuant to a negotiated intercompany agreement. Investments in the Funds are subject to minimum investment requirements. See Item 4 of this Brochure and refer to the Funds’ Governing Documents for more information.

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

Investment Process - Fund Strategies

Private Mortgage Strategies:

The primary investment strategy of the Levered and Unlevered Funds is to originate and invest in Loans. The Governing Documents specify the maximum term of any Loan, although the average Loan term is estimated to be two to four years. Most Loans are expected to have a floating interest rate, but the Levered and Unlevered Fund may each also hold fixed rate Loans, in which case it intends to enter into interest rate swaps to create a LIBOR based floating rate exposure to such Loans. In addition to originating first mortgage Loans, first mortgage Loans or participation interests in such Loans may be acquired from other lenders/investors, and will also be considered “Loans.” Participation interests may be structured in the form of senior, pari passu, or solely with respect to the Levered Fund, subordinated interests. Loans originated or acquired are typically expected to be held until they are paid off.

Commercial real estate securing the Loans is expected to consist primarily of office, retail, multifamily, industrial, mixed-use, and hotel properties. Most properties are expected to have transitional characteristics (i.e., currently generating in-place income significantly below potential pro forma levels) where the borrower is looking to stabilize and/or reposition the property (typically within a two to three year timeframe) at which time the property would be sold or refinanced. Accordingly, we believe borrowers will seek short-term financing with prepayment flexibility, although we will endeavor to seek Loans with 12+ months of prepayment protection.

Targeted Loans will not include higher risk, more speculative transitional projects. Loans will be backed by projects we believe are strong viable projects where repositioning/stabilization plans are straightforward, well supported, and where we have a high confidence level in the borrower's ability to execute the plan. If the borrower's stabilization/reposition plans are unsuccessful, potential Loan loss exposure should be mitigated by moderate Loan leverage, strong Loan structural features and good property quality. While individual loan to value ratios ("LTVs") will vary from Loan to Loan based on the nature of the collateral property and its assessed risk profile, the targeted average LTV is expected not to exceed 75%. The Governing Documents will establish a maximum LTV for any individual Loan.

The Funds may from time to time hold cash and invest in cash equivalent securities and other short-term investments that will be held for future investment or other Fund purposes. These securities and investments may include U.S. Treasury securities and money market funds.

Investment in the Funds entails a high degree of risk and is suitable only for sophisticated institutions or individuals for whom an investment in the Funds is not a complete investment program and who fully understand and are capable of bearing the risks associated with an investment in the Funds. There can be no assurance that the Funds' objectives will be achieved, and investors must be prepared to bear capital losses which might result from their investment. The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. Please refer to the "Risk Factors" sections in the Governing Documents for a more detailed discussion of the risks involved with an investment in a Fund.

SFE Strategy:

The strategy of the SFE Fund is to invest in SFR Assets, SFR Portfolios (each as defined below) as well as permitted temporary investments, cash and derivatives for the purpose of hedging of interest rates.

"SFR Assets" means assets that have the following characteristics:

- single-family, residential detached homes constructed after 1979 with at least 3 bedrooms and 2 bathrooms and a minimum of 1,100 square feet;
- acquired at a maximum cost specified in the Fund's Governing Documents;
- an underwritten monthly rental rate per home specified in the Fund's Governing Documents; and
- purchased in a census tract with a median income specified in the Fund's Governing Documents.

"SFR Portfolios" means portfolios consisting of SFR Assets. All SFA Assets will be located in the United States.

The SFE Fund identifies target markets in its Governing Documents and (i) no more than 33% of the assets of the SFE Fund will be located in a single state and (ii) no more than 20% of the assets of the SFE Fund in any single target market. The SFE Fund will seek leverage of between 50% and 75% of the gross asset value its assets.

The initial portfolio of the SFE Fund was approved for purchase by the SFE Fund by the initial investors in the Fund and consisted of 2,409 single family homes described in the SFE Fund's Governing Documents (the "Seed Portfolio").

Investment Process – Public Mortgage Strategies:

Amherst Capital's mortgage security investment process utilizes a modern options analysis framework, to identify attractive securities based on each investments exposure to a borrower held option. This approach starts with macroeconomic research to assess the overall risk environment, determine broad portfolio themes, and overall portfolio quality. With this macroeconomic foundation in place, our investment professionals scour data sets and utilize proprietary technology to identify issuer- and security-level sources of potential alpha. In analyzing a specific issuer and underlying assets, we carefully assess the fundamental characteristics of each property taking into account borrower opportunity utilizing proprietary analytical tools.

Securities in this strategy are expected to include non-agency and agency residential mortgage-backed securities, mortgage related asset-backed securities, commercial real estate whole-loans and mortgage backed securities, U.S. treasury and agency securities, inflation protected securities, and other non-agency structured securities. The strategy may also employ various fixed income derivatives including futures, options, swaps and forward contracts.

Risks of Loss:

The investment strategies described above, and other strategies that may be pursued by the Funds and other accounts, involve a substantial degree of risk, and the Funds or other accounts may lose all or a substantial portion of the value of their investments. Amherst Capital does not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure you that our investments of your money will be profitable, and in fact, you could incur substantial losses. Your investments with Amherst Capital are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

The following material risks relating to the investment strategies and methods of analysis described above are described in more detail in the applicable Governing Documents, together with other risks relating to investment in the Funds, and representatives of Amherst Capital are available to discuss with potential investors the risks involved in the strategies pursued by a Fund.

ALL FUNDS

Possible Lack of Diversification. The Funds are expected to participate in a limited number of investments and there can be no assurances concerning the diversification. A limited degree of diversification increases risks. Portfolio diversification will decrease as the each Fund's target investments are divested following its investment period.

Illiquidity of Investments. The investments to be made by the Funds are likely to be illiquid, and it is unlikely that there will be a public market for any of them. In addition, the types of real estate or loans securing the investments held by the Funds may be such that they require a substantial length of time to realize or sell.

Future Investments are Unspecified. The target investments for the Levered Fund and the Unlevered Fund, and the future investments for the SFE Fund (other than the Seed Portfolio) have not yet been selected and will be made over a substantial period of time, and accordingly, the real estate and debt markets, including interest rates, may change over time.

Hedging Transactions. Each Fund may, but is not obligated to, utilize financial instruments to hedge its investments and the interest rate risk associated therewith. There can be no assurance that the Funds will hedge when appropriate or choose the correct hedge if it does hedge. The use of hedging transactions involves certain risks. These risks include: (i) the possibility that the market will move in a manner or direction that would have resulted in gain for the Fund had a particular hedging transaction not been utilized, in which case the Fund's performance would have been better had the Fund not engaged in the hedging transaction; (ii) the risk of imperfect correlation between the risk sought to be hedged and the hedging instrument used; and (iii) potential illiquidity for the hedging instrument used, which may make it difficult or costly for the Fund to close-out or unwind a hedging transaction.

Counterparty Risk. It is expected that many of the Funds' investment purchases and dispositions will transpire in private markets. To the extent consistent with the Funds' intended use of leverage (as applied separately for each Fund), these transactions may include swaps and financing trades including reverse repos, repos, bonds borrowed and bonds loaned. Differing market standards for counterparty credit evaluation may expose the Funds to the risk that a counterparty will not complete or settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (irrespective of whether bona fide), counterparty default, or inability to perform, causing the applicable Fund to suffer a loss. Such "counterparty" risk is accentuated for contracts with longer maturities or where the applicable Fund has concentrated its transactions with a particular counterparty or group of counterparties.

Risks of Leverage. The amount of borrowings that a Fund may have outstanding and/or to which its investments may be subject at any time may be large in relation to its capital or value. Although the use of leverage may enhance returns, it will also substantially increase the Fund's risk of loss.

Changes in Market Circumstances. The Funds face risks attendant to changes in economic environments, including changes in interest rates, instability in certain securities markets and availability of financing. In addition, major market disruptions could occur which could significantly impair the value of a Fund's portfolio.

Real Estate Capital Markets. The real estate capital markets are dynamic, continually evolving and impacted by many variables. The real estate capital markets, financing techniques and products are likely to materially change over the term of the Funds, and adapting to such changes

and/or Amherst Capital's inability to successfully adapt to some or all of such changes may negatively impact the performance of the Funds.

Government Intervention. The U.S. government, including the Federal Reserve, has taken a number of measures over the last several years in an effort to stabilize the U.S. economy and to inject liquidity into the U.S. capital markets. The Federal Reserve, in an attempt to stimulate the overall economy, has, among other things, kept interest rates low through its targeted federal funds rate and purchased mortgage-backed securities. There can be no assurance that programs and proposals initiated and announced by the U.S. Treasury or the Federal Reserve, or programs or proposals initiated in the future, will have a beneficial impact on the financial and real estate markets.

Cybersecurity Risk. In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (e.g., misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

LEVERED AND UNLEVERED FUNDS

Risk of Investments without Credit Ratings. Most, if not all, of the CRE Funds' investments will lack credit ratings. These investments may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses.

Commercial Real Estate Risks. The CRE Funds' investments will mainly consist of a broad range of first mortgage loans secured by real property, which will derive their cash flow and value from the performance of the commercial real estate underlying such investments and/or the owners of such real estate. Consequently, all of the investments are subject to the risks of commercial real estate, including the following: (1) commercial real estate properties tend to be unique and are difficult to value; (2) commercial real estate properties, particularly industrial and

warehouse properties, are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations; (3) commercial mortgage lenders typically look to the debt service coverage of a loan secured by income-producing property as an important measure of the risk of default on such a loan; (4) commercial property values and net operating income are subject to volatility; (5) the repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real estate; and (6) net operating income from and value of any commercial property is subject to various risks described herein, including changes in general or local economic conditions and/or specific industry segments; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in governmental rules, regulations and fiscal policies; weather and other acts of God; terrorist threats and attacks and social unrest and civil disturbances. If the properties securing the mortgage loans do not generate sufficient income or have appropriate reserves to meet operating expenses, debt service, capital expenditure and tenant improvements, then the obligors under the mortgage loans may be unable to make payments of principal and interest in a timely fashion. Income from and values of commercial properties are also affected by such factors as the quality of the property manager, applicable laws, including tax laws, interest rate levels, the availability of financing for owners and tenants and the impact of and costs of compliance with environmental controls and regulations.

Commercial Mortgage Loans. Commercial mortgage loans (“Commercial Mortgage Loans”) such as the mortgage loans in which the CRE Fund intends to invest have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial Mortgage Loans generally are non-recourse to borrowers. In the event of foreclosure on a Commercial Mortgage Loan, the value at that time of the collateral securing the mortgage loan may be less than the principal amount outstanding on the mortgage loan and the accrued but unpaid interest thereon. The CRE Funds’ investments will be secured by various types of income-producing properties, and there are risks applicable to loans secured by all of those property types, including risks of loss from environmental claims arising with respect to real estate owned (through foreclosure or otherwise) and the risk that a property suffers a loss that is not insured or is underinsured by the liability, fire and extended coverage insurance obtained by the owner or manager as a condition to the CRE Fund making a loan.

Variable Rate Mortgages. The CRE Fund may acquire variable interest rate debt, which are subject to the risk that interest rates may decline, which would reducing the amounts payable to the CRE Fund with respect to such investments.

Redevelopment or Value-Add Properties. In connection with certain investments, the CRE Funds will rely on the borrowers to implement their business plans in order to stabilize the properties securing such investments, whether through leasing, market repositioning, management change, limited renovation, or other special situations. Properties that require renovations or other improvements may generate reduced cash flow until such renovations are completed.

Prepayments. The CRE Funds' investments may be subject to prepayment, which would reduce the expected return on the investment.

Insolvency Considerations. CRE Fund investments may be subject to various laws enacted in the jurisdiction or state of the borrower for the protection of creditors. Insolvency considerations may differ depending on the jurisdiction in which each borrower is formed and/or located and may differ depending on whether the borrower is a non-sovereign or a sovereign entity. In the event of the insolvency of a borrower, payments made on the investment could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency, and payments may be delayed or diminished as a result of the exercise of various powers of the bankruptcy court.

Non-performing Target Investments. Investments acquired by the CRE Funds may thereafter become non-performing for a wide variety of reasons. Such non-performing investments may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial writedown of the principal of such loan. In the event of enforcement action in respect of any of the investments, it may be necessary to sell the underlying assets. Sale proceeds could be insufficient, in which case the applicable CRE Fund may ultimately suffer a loss. In addition, although the CRE Funds will have certain contractual remedies upon the default by any borrowers, such as enforcing upon the underlying real estate or collecting rents generated therefrom, certain legal requirements may limit the ability of the CRE Fund to effectively exercise such remedies.

Creditor Risks. Most, if not all, of the CRE Funds' investments are expected to be characterized as debt and as such will generally be subject to various creditor risks, including: (1) the possible invalidation of an investment as a "fraudulent conveyance" under relevant creditors' rights laws; (2) so-called lender liability claims by the issuer of the obligations; and (3) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any borrower to which the CRE Funds (directly or indirectly) lend, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the investments with respect to any such borrower.

Loans to Less Established Borrowers. The CRE Funds may make loans to smaller, less established or unquoted borrowers, which may involve greater risks than those associated with loans to more established borrowers.

Current Debt Market Conditions. The continuing lack of liquidity in the U.S. debt markets may adversely affect the CRE Fund's ability, or the ability of a prospective purchaser of the CRE Funds' assets, to obtain financing on favorable terms, or at all. It may also adversely affect the CRE Funds' ability to make debt investments secured by real property and may heighten the risks associated with such debt investments, including the risk of borrower default.

Refinancing Market. The CRE Funds anticipate utilizing the refinancing of loans as an exit strategy. The ability of the Funds to successfully utilize loan refinancings as an exit strategy will depend on a number of factors beyond the control of the Funds such as market interest rates,

mortgage spreads, underwriting standards, investor appetite for commercial mortgage securitizations, etc. Should it become more difficult to facilitate mortgage refinancings as a result of increased mortgage rates, tightening underwriting and lending standards, etc. such an event could have an adverse effect on the ability of the Funds to realize their return and liquidity objectives.

SFE FUND

New Market and New Strategy Risk. Investment in the large-scale single-family rental industry by an externally-managed private investment fund is a relatively new strategy within the industry and a new strategy for Amherst Capital. There can be no guarantee that the strategy will successfully be implemented or that certain assumptions pertaining to the strategy will be correct.

Competitive Market Risk. In seeking target assets for the SFE Fund, Amherst Capital will compete with a variety of institutional investors, including REITs, specialty finance companies, public and private funds and other financial institutions, some of whom may be affiliates of Amherst Capital. Many of these competitors may be larger and have greater financial, technical, leasing, marketing and other resources, including a lower cost of funds and access to funding sources.

Rental Market and Cost Risks. Virtually all of the Fund's revenue will come from rental income, which is subject to many risks, including decreasing rental rates, increased competition for tenants, increased lease default rates and increased tenant turnover, and which will be subordinate to property management fees, irrespective of the performance of the properties. The competitive environment for rental properties could have a material adverse effect on the Fund's ability to lease its properties as well as on the rents it may charge. At the same time, the cost of real estate taxes and insuring the properties is a significant component of the Fund's expenses and if costs should rise significantly and the Fund is unable to raise rents to offset such increases, then the Fund's returns and distributions would be negatively impacted.

Increased Risk and Volatility From Short Term Nature of Leases. Substantially all of the Fund's leases will be of a duration of less than two years, and will be one year in the majority of cases. Short-term leases may result in high turnover, which involves costs such as restoring the properties, marketing costs and lower occupancy levels.

Tenants; Evictions. The Fund's performance, returns and cash distributions will depend in large part upon the ability to attract and retain qualified tenants for our properties, which will depend, in turn, upon the ability to screen applicants and avoid tenants who may default on their obligations under the leases and all applicable rules and regulations. As landlord of numerous properties, the Fund will regularly be in the situation of having to evict tenants who are not paying their rent or are otherwise in material violation of the terms of their lease. Defaulting renters of the Fund's residential real properties will often be effectively judgment-proof. The process of evicting a defaulting renter from a family residence can be adversarial, protracted and costly. Because such laws vary by state and locality, the Fund's property manager will need to be familiar with and take all appropriate steps to comply with all applicable landlord-tenant laws,

and the Fund expects to incur supervisory and legal expenses to insure such compliance. To the extent that the Fund does not comply with state or local laws, the Fund may be subjected to civil litigation filed by individuals, in class actions or by state or local law enforcement. Furthermore, some tenants facing eviction may damage or destroy the property. Damage to properties may significantly delay re-leasing after eviction, necessitate expensive repairs or impair the rental income or value of the property, resulting in a lower than expected rate of return. In addition, the Fund will incur turnover costs associated with re-leasing the properties such as marketing and brokerage commissions and will not collect revenue while the property sits vacant.

Distressed Nature of Homes. The Fund's investment strategy targets single-family properties that in many cases are or at one point were distressed, and often involved defaults by homeowners on their home loan obligations. For multiple reasons, distressed properties may be in worse physical condition than other similar properties. The Fund may not become aware of conditions such as water infiltration, mold or infestation until significant damage has been done to the property requiring extensive remediation and repairs, as well as potentially providing substitute housing for a tenant.

Unknown or Contingent Liabilities; Environmental and Casualty Risks. Assets and entities acquired or that may be acquired in the future, including the Seed Portfolio, may be subject to unknown or contingent liabilities for which the Fund may have limited or no recourse against sellers of the properties. In addition, the Fund may be exposed to risk of loss from environmental claims arising with respect to its properties, and the potential losses may exceed the Fund's investment therein. Furthermore, the Fund's properties may be damaged by adverse weather conditions and natural disasters and if the Fund experiences losses that are uninsured or exceed policy limits, it could incur significant uninsured costs or liabilities, lose the capital invested in the properties, and lose the anticipated future cash flows from those properties.

Title Defects. Although the Fund expects to acquire title insurance on the overwhelming majority of our residential properties when it is available, the Fund may also acquire a number of its homes on an "as is" basis at auctions, without the benefit of title insurance prior to closing. Increased scrutiny of title matters, particularly in the case of foreclosures, could lead to legal challenges with respect to the validity of the sale. In the absence of title insurance, the sale may be rescinded and the Fund may be unable to recover the purchase price, resulting in a complete loss. Title insurance obtained subsequent to purchase offers little protection against discoverable defects as they are typically excluded from such policies. In addition, even if the Fund is able to acquire title insurance on a property, the insurance may not cover all defects and/or the significant legal costs associated with obtaining clear title.

Seed Risk. The Seed Portfolio constituting the initial investments of the SFE Fund, was sold to the SFE Fund with very limited representations and warranties, and that Fund has limited recourse to the seller thereof and may not receive the benefits it expected under the title insurance policies for the Seed Portfolio. The Fund is attempting to negotiate additional indemnities from the seller of the Seed Portfolio and, if not successful, may not receive the benefits it expected under the purchase and sale agreement for the Seed Portfolio. Also, a material element of the strategy with respect to the Seed Portfolio is that the Seed Portfolio is subject to mortgage indebtedness arranged by Amherst Holdings, our affiliate. Such Seed

Portfolio mortgage indebtedness was not subject to a third party or market bidding process, and may or may not be consistent with similar or other appropriate indebtedness available in the market.

Renovation, Development, Redevelopment or Value-Add Properties. It is expected that nearly all of the Fund's properties, including the Seed Portfolio, will require some level of renovation immediately upon their acquisition or in the future following expiration of a lease or otherwise. Consequently, it is expected that the Fund will be exposed to all of the risks inherent in property renovation, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy and poor workmanship. In addition, subject to internal approvals, up to 15% of the Fund's investment portfolio are expected to be in properties to be developed, re-developed, renovated or which otherwise require a material amount of work. It is expected that acquired properties of this type will be unproductive assets generating no revenue for a period of time after acquisition.

Government Programs Impacting Our Market. The U.S. government, through the Federal Reserve, the Federal Housing Administration and the Federal Deposit Insurance Corporation, has in the past implemented a number of programs designed to provide homeowners with assistance in avoiding residential mortgage loan foreclosures, including the Home Affordable Modification Program, which seeks to provide relief to homeowners whose mortgages are in or may be subject to foreclosure, and the Home Affordable Refinance Program, which allows certain borrowers who are "underwater" on their mortgage but current on their mortgage payments to refinance their loans. Several states, including states in which the Fund's target markets are located, have adopted or are considering similar legislation. These programs and other loss mitigation programs may involve, among other things, the modification or refinancing of mortgage loans or providing homeowners with additional relief from loan foreclosures. Such loan modifications and other measures are intended and designed to lead to fewer foreclosures, which will decrease the supply of properties that meet the Fund's investment criteria.

Affiliated and Third-Party Service Provider Risk. Identification and utilization of certain affiliated and third-party service providers related to investing in single family homes and multi-family properties carries service-provider specific risks including, but not limited to, ability to successfully acquire, manage, lease, renovate, and maintain underlying portfolio investments, as well as fraud or misconduct of a service provider. Notwithstanding efforts to implement and enforce policies and procedures regarding service providers, detection and prevention of fraud or incompetence and successful selection, management, and supervision of service providers cannot be guaranteed.

Related Businesses. Certain affiliates of Amherst Capital are engaged in businesses related to the underlying investments of the Funds including, but not limited to, sourcing, evaluating, underwriting, originating, acquiring, disposing, financing, and property management and real estate servicing activities. As such, Amherst Capital may engage and pay fees to these affiliates as further provided in each Fund's governing documents.

PUBLIC MORTGAGE

Certain Risks Relating to Mortgage-Related and Other Asset-Backed Securities. Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Such risks may include credit risk, interest rate risk and prepayment and extension risk, as further described below. In addition, the creditworthiness, servicing practices, and financial viability of the servicers of the underlying mortgage pools present significant risks. For instance, a servicer may be required to make advances in respect of delinquent loans underlying the mortgage-related securities; however, servicers experiencing financial difficulties may not be able to perform these obligations. Additionally, both mortgage-related securities and asset-backed securities are subject to risks associated with fraud or negligence by, or defalcation of, their servicers. These securities are also subject to the risks of the underlying loans. In some circumstances, a servicer's or originator's mishandling of documentation related to the underlying collateral (e.g., failure to properly document a security interest in the underlying collateral) may affect the rights of security holders in and to the underlying collateral. In addition, the underlying loans may have been extended pursuant to inappropriate underwriting guidelines, to no underwriting guidelines at all, or to fraudulent origination practices. The owner of a mortgage-backed security's ability to recover against the sponsor, servicer or originator is uncertain and is often limited. An account's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Credit Risk. An account could lose money if the issuer or guarantor of a security (including a security purchased with securities lending collateral), the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, or the issuer or guarantor of collateral, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to honor its obligations. The downgrade of the credit of a security or of the issuer of security held by the account may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. A portfolio's average credit quality may not accurately reflect the risk of the portfolio, especially if the portfolio consists of securities with widely varying credit ratings.

Interest Rate Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. We may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no expectation nor guarantee that we will be successful in fully mitigating the impact of interest rate changes on the portfolios.

Prepayment and Extension Risk. When interest rates fall, the principal on mortgage-backed and certain asset-backed securities may be prepaid. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the strategy's

potential price gain in response to falling interest rates, reduce the value of your investment. When interest rates rise, the effective duration of the strategy's mortgage-related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the strategy's sensitivity to rising interest rates and its potential for price declines.

Mortgage-Backed Securities ("MBS"). Certain MBS have become difficult to value, and the markets for some securities have become very illiquid. In some cases the market has severely underestimated the risks inherent in these instruments, including the risks of homeowner default and risks relating to declining real estate values. MBS that are issued by U.S. government-sponsored agencies are less exposed to credit risk and the risk of decreasing collateral values. These securities have not suffered the same volatility or illiquidity suffered by some other MBS, but there can be no assurance that this will continue to be the case. The rate of prepayments on underlying mortgages affects the price and volatility of a mortgage-backed security, may have the effect of shortening or extending the effective maturity beyond what was anticipated, and may require the reinvestment of assets at an inopportune time, which may result in a lower rate of return.

Residential Mortgage Backed Securities ("RMBS"). Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and such securities issued may be guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the related mortgaged property is located, the terms of the loan, the borrower's "equity" in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Commercial Mortgage Backed Securities ("CMBS"). Collateral underlying CMBS generally consists of mortgage loans secured by income producing property, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centers, self-storage properties and other income producing commercial real estate. Investments may be made directly in CMBS as well as derivatives referencing CMBS as well as other structured securities. Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS. The owner of CMBS does not have a contractual relationship with the borrowers of the underlying commercial mortgage loans. The CMBS holder typically has no right directly to enforce compliance by the borrowers with the terms of the loan agreement, nor any rights of

set-off against the borrower, nor will it have the right to object to certain changes to the underlying loan agreements, nor to move directly against the collateral supporting the related loans.

Asset-Backed Securities (“ABS”). ABS are subject to interest rate risk and, to a lesser degree, prepayment risk. ABS are subject to additional risks in that, unlike MBS, ABS may not have the benefit of a security interest in the related collateral. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities. Each type of ABS also entails unique risks depending on the type of assets involved and the legal structure used. ABS typically experience credit risk. There is also the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities because of the inability to perfect a security interest in such collateral. General downturns in the economy could cause the value of ABS to fall.

Collateralized Mortgage Obligations (“CMOs”) and MBS Derivatives. The CMO and stripped MBS markets were developed specifically to reallocate the various risks inherent in MBS across various bond classes (“tranches”). For example, CMO “companion” classes typically experience much greater average life variability than other CMO classes or MBS pass-throughs. Interest only pass-through securities experience greater yield variability relative to changes in prepayments. “Inverse floaters” experience greater variability of returns relative to changes in interest rates. To the extent that we concentrate investments in these or other “derivative” securities, the prepayment risks, interest rate risks and hedging risks associated with such securities will be severely magnified.

Derivatives Generally. Investments in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, may be subject to credit risk with regard to parties with whom we trade and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the specific client, and hence such clients should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Item 9. Disciplinary Information

From time to time, we and/or BNY Mellon may be involved in regulatory examinations or litigation that arise in the ordinary course of our business. At this time we are not aware of any regulatory matters or litigation that we believe would be material to an evaluation of our advisory business or integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

BNY Mellon is a Global Financial Services Company:

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon's affiliated investment management firms, wealth management business and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

We may enter into transactions with unaffiliated counterparties or third party service providers who then use affiliates to execute such transactions. Additionally, we may effect transactions in American Depositary Receipts ("ADRs") or other securities and the involved issuers or their service providers may use affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers may include, for example, clearance of trades, purchases or sales of securities, serving as depository bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates may receive compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or its other affiliates may gather data from us about our business operations, including information about holdings within client portfolios, which is required for regulatory filings to be made by us or BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, financial, legal or risk management purposes, pursuant to policies and procedures of Amherst Capital, BNY Mellon or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

BNY Mellon's Status as a Bank Holding Company:

BNY Mellon and its direct and indirect subsidiaries, including Amherst Capital, are subject to certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the "BHCA"), and to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). The BHCA (and other applicable banking laws, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Federal Reserve) may restrict the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and may restrict our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us may, among other things, restrict our ability to make certain investments or the size of certain

investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. These limitations may have an adverse effect on our ability to manage client investment portfolios. For example, depending on the percentage of a company we and our affiliates (in the aggregate) control at any given time, the limits may: (i) restrict our ability to invest in that company for certain clients and/or (ii) require us to sell certain client holdings of that company at a time when it may be undesirable to take such action. Additionally, BNY Mellon may in the future, in its sole discretion and without notice, engage in activities impacting us in order to comply with the BHCA or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts managed by us and our affiliates.

BNY Mellon Incentive Compensation Plan:

BNY Mellon has adopted an incentive compensation program (“Program”) designed to:

- (i) Help clients understand and gain access to the full range of products and services offered by BNY Mellon and its subsidiaries; and
- (ii) Expand and develop client relationships.

The Program promotes BNY Mellon’s corporate values of Client Focus, Trust, Teamwork and Outperformance by encouraging the cross-selling of BNY Mellon’s broad array of services and products throughout the organization to better meet a current or prospective client’s full range of needs for financial products and services, and to expand customer relationships. The Program seeks to financially reward (via bonus or referral fee) eligible employees who offer a business lead that results in a sale of certain affiliated products or services to existing clients and prospects. These bonuses and referral fees may be paid to us and our employees for referring business (services or products) to our affiliates, and our affiliates and their employees may receive bonuses and referral fees for referring business to us. The bonuses and referral fees may be based on the number of referrals made and/or the revenue generated by the referral. Certain types of regulated entities, employees and referrals may be ineligible for the Program or subject to restrictions under applicable law or internal procedures governing the earning of such rewards. These referral fees and bonuses may create conflicts of interest for us and our employees because we have an incentive to encourage our clients to engage in transactions with our affiliates, based on the compensation that we will receive for these referrals, rather than our clients’ needs.

Amherst Holdings is a Financial Services Holding Company:

Amherst Holdings is a financial services holding company that provides advice and services to institutional investors, issuers and financial companies. Amherst Holdings owns a minority interest in Amherst Capital. Amherst Holdings has expertise in the real estate and related

structured finance markets including sales and trading, investment banking, advisory services and asset management programs.

Similar to our relationship with BNY Mellon, we are also an affiliate of Amherst Holdings. We may enter into transactions with unaffiliated counterparties or third party service providers who then use affiliates to execute such transactions. Although one of our affiliates may receive compensation for engaging in these transactions, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty or third party service provider. Further, we will likely be unaware that the affiliate is being used to enter into such transaction.

Outside Business Activities:

Certain of Amherst Capital's officers/directors may also hold management or board of director positions with the affiliates listed in Item 7.A. of Part 1A of Form ADV ("Affiliate Parties"). For example, Sean Dobson is the Chief Executive Officer ("CEO") of Amherst Capital. He also serves as the CEO and Chairman of the Board of Managers of Amherst Holdings and the CEO of various other subsidiaries of Amherst Holdings including a registered investment adviser and a non-executive board member of a broker dealer holding company. In these positions, such persons may have some responsibility with respect to the Affiliate Parties and the compensation of these persons may be based, in part, upon the profitability of both Amherst Capital and such Affiliate Parties. Consequently, in carrying out their dual roles, these persons may be subject to conflicts of interest. None of the Affiliate Parties is under any obligation to offer investment opportunities of which they become aware to Amherst Capital or its clients or share with Amherst Capital or inform Amherst Capital of any such transaction or any benefit received by them from any such transaction or to inform Amherst Capital of any investments before offering any investments to Affiliate Parties' clients. Amherst Capital has established certain information barriers and other policies to address the sharing of information between different businesses. As a result of information barriers, we will generally have limited access, to information and personnel in other areas of BNY Mellon, or other Affiliate Parties (such as Amherst Holdings) and generally will not be able to manage Amherst Capital with the benefit of information held by such other areas.

As a result of the foregoing, the Affiliate Parties may have conflicts of interest in allocating their time and activity between, allocating investments among and effecting transactions for Amherst Capital or its clients or Affiliate Parties.

Dual Officers and Employees:

Certain employees act as Dual Officers of Dreyfus, an affiliated registered investment adviser, and/or as Dual Officers of Standish for the limited purpose of performing certain non-discretionary investment management services.

Acting in their capacities as Dreyfus officers, certain Amherst Capital employees provide investment advisory services to one or more registered mutual funds. These employees are subject to the supervision of the Dreyfus investment team and its CIO when acting in this capacity as Dreyfus officers.

Acting in their capacity as Standish officers, certain Amherst Capital employees provide investment advisory services for Standish client accounts utilizing a real estate mortgage strategy. These employees are subject to the supervision of the Standish investment team and its CIO when acting in this capacity as Standish officers.

Affiliated Placement Agents:

We will utilize affiliated “placement agents,” including MBSC Securities Corporation (“MBSC”) and BNY Mellon Investment Management EMEA Limited, who will solicit persons to invest in various private funds, including our Funds. The Funds will enter into agreements with these placement agents to pay them commissions or fees for such solicitations. Amherst Capital or its affiliates will be solely responsible for the payment of these commissions and fees – they will not be borne by the Funds and their investors. Amherst Capital and its affiliates will pay these commissions and fees out of our profits, and these payments will not increase the fees paid by the Funds’ investors. These financial incentives may cause the placement agents and their employees and/or salespersons to steer investors toward those Funds that will generate higher commissions and fees. Please see Item 14 of this Brochure for more information on the compensation arrangements related to client referrals.

Our sales and client service employees will be registered representatives of our affiliate, MBSC, a registered investment adviser under the Investment Company Act and registered broker-dealer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and a member of the Financial Industry Regulatory Authority. In their capacity as registered representatives of MBSC, these employees will sell and provide services regarding the private funds under our management. We expect to have a financial arrangement in place between us and MBSC.

Affiliated Service Providers:

In addition, to the extent permitted by law, placement agents and their respective affiliates may provide brokerage and certain other financial and securities services to us, our affiliates or related private funds. Such services, if any, will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that may provide services and may receive fees from BNY Mellon in connection with such services, which may incentivize such persons to distribute interests in a private fund or other BNY Mellon products.

Amherst Capital has entered into an agreement with its affiliate, BNY Mellon Asset Management Operations LLC (“BNYM AM Ops”) to provide certain operational and systems support. BNYM AM Ops provides similar services to other affiliates of Amherst Capital. In addition, Amherst Capital has entered into a letter of intent with the Alternative Investment Services group of its indirect majority-owned parent, BNY Mellon, to provide certain administrative and accounting services to the Funds.

The SFE Fund, with the approval of its board of directors, has engaged Main Street Renewal LLC, an affiliate of Amherst Holdings, to provide property acquisition, preservation, leasing and lease management, accounting, operations, maintenance, repair, property management, and property disposition services to certain indirectly wholly owned subsidiaries of the SFE Fund for the homes in relation to the Seed Portfolio.

Amherst Capital has entered into a license agreement with Amherst InsightLabs, LLC (“AIL”) an affiliate of Amherst Holdings. AIL provides Amherst Capital access to its mortgage related data and analytics which Amherst Capital uses in connection with services to its clients.

Amherst Capital has also entered into an agreement with its parent, Standish, to receive certain middle office operational, surveillance, client service, trade and marketing support services.

Other Relationships:

In addition, BNY Mellon personnel, including certain of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

Some of our clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire managers and to investment management firms, and we may provide separate advisory services directly or indirectly to employees of such consulting firms. We may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where we believe those services will be useful to us in operating our investment management business. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the potential conflicts of interest they may present, including the provision and receipt of gifts and entertainment.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Luminex Trading and Analytics, LLC (“Luminex”), a registered broker-dealer under the Exchange Act, which was formed for the purpose of establishing and operating a “buy-side” owned and controlled electronic utility for trading securities (the “Alternate Trading System”). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternate Trading System. Amherst Capital and BNY Mellon disclaim that either is an affiliate of Luminex.

Affiliated Broker-Dealers and Investment Advisers:

We are affiliated with a significant number of advisers and broker/dealers. Please see Form ADV, Part 1A – Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part 1A – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity, if applicable).

Where we select the broker to effect transactions for client accounts, we may use either an affiliated or unaffiliated broker (unless otherwise restricted by an agreement, law or regulation). We may have an incentive to enter into transactions with an affiliated broker-dealer in an effort to direct more commission dollars to the affiliate.

Amherst Pierpont Securities (“APS”), an affiliate of Amherst capital and subsidiary of Amherst Holdings, is a registered broker dealer focused on mortgage-related securities and securitized products. Amherst Capital currently does not direct client securities transactions to APS but may engage APS for certain private market transactions including, but not limited to, syndicated loan transactions.

We have broker selection policies in place that require our selection of a broker-dealer to be consistent with its duties of best execution, and subject to any client and regulatory proscriptions. Please see Item 12 of this Brochure for more information on our broker selection process.

We may be prohibited or limited from effecting transactions for clients because of rules in the marketplace, foreign laws or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. Please also refer to Item 12 of this Brochure for a discussion of trade aggregation issues.

Affiliated Private Funds and Sponsors:

As discussed in Items 4-8 above, we act as investment adviser to various private funds. Affiliated Parties, owned in part by our management persons but ultimately controlled by BNY Mellon, may sponsor and/or act as the general partner of such private funds. Please see Form ADV, Part 1 - Schedule D, Section 7.B for a list of our affiliated private funds and sponsors. Our management persons' relationship to these funds, the affiliated general partner and other affiliates as well as the related conflicts of interest are disclosed to underlying investors in the fund’s offering materials before they invest. For example, the general partner receives performance-based compensation (i.e. carried interest) from the private funds, which may create an incentive for our management persons to recommend investments that are riskier than might otherwise be the case. Also, such management persons may have conflicts of interest in allocating their time and service among such funds, Amherst Capital and certain other BNY Mellon entities. Please see the applicable fund’s offering materials for further information regarding such conflicts.

Affiliated Banking Institutions:

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions may provide certain services to us, such as recordkeeping, accounting, marketing services, and referrals of clients. We may provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that may be distributed under the name of certain marketing “umbrella designations” such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon IM, and BNYM IM EMEA.

We may provide certain investment advice and/or security valuation services to the Bank. We also may provide certain investment advisory and trading services to certain Bank clients and separately managed accounts (including separately managed accounts for which the Bank acts as trustee, custodian, or investment manager).

Certain clients may have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us may provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us, our ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and in some cases, prohibited.

Affiliated Underwriters:

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which may create an incentive for us to purchase these new issue securities, in an effort to provide additional fees to the broker-dealer affiliate. BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”), we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, so long as requirements of the policy, including written approval and compliance with certain investment criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

BNY Mellon is frequently engaged to serve as trustee, indenture trustee, custodian, paying agent or other similar capacities for the issuers of corporate bonds and other fixed income securities, including asset-backed and/or mortgage-backed securities. Because the receipt of compensation for such services by its affiliate may be affected by the success and/or size of a primary offering of such securities, Amherst Capital may be prohibited from purchasing such securities in the primary offering for its ERISA clients in order to avoid a violation of ERISA’s prohibited transaction rules. Amherst Capital, through its parent company, has received an exemption from the U.S. Department of Labor in order to provide relief from these restrictions for its ERISA clients.

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

We have adopted a Code of Ethics that is made up of two parts:

- (i) BNY Mellon Code of Conduct and Interpretive Guidance (the “BNY Mellon Code”); and
- (ii) BNY Mellon Personal Securities Trading Policy (the “PSTP”).

The BNY Mellon Code provides to employees the framework and sets the expectations for business conduct. In addition, it clarifies our responsibilities to clients, suppliers, government officials, competitors and the communities we serve and outlines important legal and ethical issues:

- (i) Conflicts of Interest: gifts, entertainment and other payments; personal conflicts of interest; fiduciary appointments and bequests; outside affiliations, outside employment and certain outside compensation issues; and disclosure of relationships and transactions;
- (ii) Proper Use and Care of Information and Proper Recordkeeping: proprietary information and intellectual property; data integrity and corporate information; use of e-mail and internet; accurate accounting and internal controls; use of non-public or “inside” information; talking to the media; and document retention;
- (iii) Dealing with Customers, Prospects, Suppliers, and Competitors: business relationships with customers, prospects, suppliers, and competitors; business decisions; exploitation of relationships and use of the company’s name, letterhead or facilities; knowing your customer; and recognizing and reporting illegal, suspicious, or unusual activities;
- (iv) Doing Business With the Government: complying with government contracts, government contracting laws and regulations; integrity in the sales and marketing process; truthful, accurate statements and recordkeeping; safeguarding government information and property; cooperating with government audits and investigations; and meeting employment and labor obligations;
- (v) Personal Finances: personal investments; personal brokerage accounts; political campaign contributions; contributions to not-for-profit entities; and individual employees’ regulatory requirements; and
- (vi) Compliance with the Law: among other matters illegal or criminal activities; investigations; and protection of company assets.

The PSTP is designed to reinforce our reputation for integrity by avoiding even the appearance of impropriety and to ensure compliance with applicable laws in the conduct of our business. The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and

consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities for Amherst Capital. Each of our employees is classified as one of the following:

- (i) Investment Employee (“IE”): IEs are employees who, as part of their responsibilities, have access to nonpublic information regarding any advisory client’s purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary Account, or are involved in making securities recommendations to advisory clients or have access to such recommendations before they are public.
- (ii) Access Decision Maker (“ADM”): ADMs (generally portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt and non-investment grade debt securities for mutual funds and other managed accounts) are subject to the most extensive procedures under the PSTP.
- (iii) Other Employee (“OE”): Our employees are considered OEs if they are not an IE or ADM.

PSTP Overview:

- (i) IEs and ADMs are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership;
- (ii) Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest;
- (iii) Preclearance is not required for transactions involving certain exempt securities (such as open-end investment company securities that are not managed, advised or sponsored by an affiliate, or money market funds and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest;
- (iv) We have a “Preclearance Compliance Officer” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the Preclearance Compliance Officer to determine whether or not to grant trading authorization;

- (v) The acquisition of any securities in a private placement requires prior written approvals;
- (vi) With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (i.e., purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period);
- (vii) With respect to non-BNY Mellon securities purchasing and selling, or selling and purchasing the same or equivalent security within 60 calendar days is discouraged, and any profits must be disgorged;
- (viii) No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund's disclosure documents; and
- (ix) A copy of our Code of Ethics will be provided upon request.

Interest in Client Transactions:

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

Principal Transactions. "Principal transactions" are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. In this regard, BNY Mellon has a material investment in the Unlevered Fund and the Unlevered Fund is an affiliated account or Proprietary Account. We may engage in principal transactions subject to the consent requirements under the Advisers Act and as permitted under applicable law. When we engage in a principal transaction, we may have an incentive to favor our own interests (and those of our affected affiliates) over the interests of our client. We have adopted policies to seek any necessary consent to such transactions, which may include the consent of the investor advisory committee of the Funds in accordance with the Governing Documents.

Cross Transactions. We generally will not effect cross transactions between client accounts. In the unusual event that we effect cross transactions between client accounts, we will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements (including obtaining any requisite approvals thereunder) and our policies and procedures. In particular, we will seek to ensure that each transaction is (i) in our judgment, in the best interests of each client account involved in the transaction; and (ii) in compliance with any investment guidelines or restrictions for these client accounts.

In effecting these transactions, we will seek to ensure that the purchase or sale is affected at a price that is comparable to the price that could be obtained through an arm's-length transaction with a third party and that is otherwise fair to both parties. Documentation will be maintained to memorialize the basis for determining fairness in pricing. Neither Amherst Capital nor any of its affiliates may receive any compensation for effecting a cross-fund transaction.

Transactions in Same Securities. We or our affiliates may make the same investments that we or our affiliates recommend to clients, and in particular may invest through one or more Funds. When we or an affiliate hold, for our own benefit, the same investment as a client, we could be viewed as having a potential conflict of interest. For example, we or our affiliate could be seen as harming the performance of the client's account for our own benefit if we short-sell the securities in our own account while holding the same securities long in the client account, causing the market value of the securities to move lower. If our portfolio managers make inconsistent trading decisions, the basis for those decisions must be documented, and may be reviewed periodically by our compliance department to determine whether they were made on an appropriate basis.

Interests in Recommended Securities/Products. We or our affiliates may recommend investments to clients, or buy or sell assets for client accounts, at or about the same time that we or one of our affiliates buys or sells the same assets for our (or the affiliate's) own account. This practice may give rise to a variety of potential conflicts of interest, particularly with respect to aggregating, allocating and sequencing assets being purchased on both our (or its affiliate's) behalf and our clients' behalf. Allocation and sequencing of investment opportunities might likewise raise a potential conflict of interest as we may have an incentive to allocate investment opportunities that are expected to increase in value to our self, including to the Unlevered Fund in which BNY Mellon is expected to have a material interest. See Item 12 of this Brochure for a discussion of our brokerage and allocations practices and policies. Further, a potential conflict of interest could be viewed as arising if a transaction in our own account closely precedes a transaction in related securities in a client account, such as when a subsequent purchase by a client account increases the value of securities that were previously purchased for our self.

Investments by Related Persons and Employees. We and our existing and future employees, our board members, and our affiliates and their employees may from time to time invest in products managed by us. We will develop policies and procedures to address any conflicts of interest created by such investment. We are part of a large diversified financial organization that includes banks and broker-dealers. As a result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. For more information, please see "Interests in Recommended Securities/Products" in this Item 11.

Agency Transactions Involving Affiliated Brokers. Neither we nor any of our officers or directors, acting as broker or agent, effects securities transactions for compensation for any client. We are part of a large diversified financial organization that includes broker-dealers. As a result, it is possible that a related person, other than our officers and directors, may, as agent,

effect securities transactions for our clients for compensation. Please also see Schedule D, Section 7A of our Form ADV Part 1 for a list of broker-dealers which are our affiliates.

Item 12. Brokerage Practices

Broker-Dealer Selection. On behalf of our discretionary clients, we have full discretion over the purchase and sale of investments (including the size of such transactions) and the authority to direct transactions on behalf of our clients to broker-dealers, banks and other intermediaries we select. In doing so, we seek best execution of such transactions. When seeking best execution, we will consider the full range and quality of a broker-dealer's services including, among other things, competitive commission rates, expertise, reputation and integrity, facilities, financial services offered, willingness and ability to commit capital, access to under-written offerings and secondary markets, reliability both in executing trades and keeping records, fairness in resolving disputes, value provided, execution capability, financial responsibility and responsiveness to the Firm.

Soft Dollar Arrangements. Section 28(e) of the Exchange Act provides a safe harbor that allows an adviser to use dollars generated from brokerage commissions from client transactions ("soft dollars") to pay for brokerage and research services provided by broker-dealers or third parties. In the selection of qualified brokers to execute certain transactions, a broker or dealer may be selected that provides, along with trade execution services, proprietary or third party brokerage and research services and products. Such services and products may include: (i) models and research databases; (ii) company, industry and market analysis; (iii) market data; (iv) security exchange pricing and news services; and (v) independent or proprietary research.

Amherst Capital has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution in exchange for brokerage commissions from client transactions (so-called "soft dollar" arrangements). However, brokers or dealers may be selected who provide research reports and services to Amherst Capital, including: proprietary broker-dealer company research and analyses; oral and written reports, statistics and advice about the economy, industries and individual securities' or company investment opportunities; and reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes and other capital markets statistics, both of which may be attractive for one or more Funds or to Amherst Capital; and opportunities to confer with company management. In accordance with Section 28(e) of the Exchange Act, broker-dealers providing such services may be paid commissions on transactions for the Funds in excess of those that other broker-dealers not providing such services might charge so long as we determine in good faith the amount of commissions is reasonable in relation to the value of the brokerage and research services provided, taking into account all of the accounts over which we exercise investment discretion. Recognizing the value of the brokerage and research services provided, we may allow a brokerage commission or negotiated term in excess of that which another broker might have charged for effecting the same transaction.

We will periodically evaluate the overall reasonableness of the brokerage commissions and negotiated terms paid to or made with broker-dealers with respect to client transactions by, among other things, seeking to compare such commissions and terms with the commission rates and negotiated terms being charged by and entered into with other comparable broker-dealers.

We will also periodically review the past performance of the broker-dealers with whom it has placed orders to execute Fund transactions in light of the factors discussed above.

The use of client commissions to obtain research services and products benefits us because we will not have to produce or pay for the research itself. Further, certain research services and products received may benefit:

- (i) certain other accounts also under our management;
- (ii) accounts of affiliates managed by our employees who are also employees of such affiliates; or
- (iii) nondiscretionary accounts of affiliates over which we retain investment discretion.

Certain client assets of affiliates may be managed by our portfolio managers acting in a Dual Officer capacity. Because those clients may benefit from the services and products we receive from brokers, commissions generated by those clients may be used to pay for those research services and products.

Other Brokerage Practices Conflicts of Interest. The following brokerage practices may lead to an actual or potential conflict of interest when selecting broker-dealers to execute client trades:

- (i) receiving client referrals from a broker-dealer;
- (ii) acting on a client's direction to use a particular broker-dealer; and
- (iii) using affiliated broker-dealers.

Brokerage for Client Referrals. We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

Directed Brokerage. We may accept direction from a client to place trades for a client's account with a particular broker-dealer. At times, a client will instruct Us to execute certain trades in their portfolio with a specified broker-dealer. In the event that such direction occurs, we may have limited capability to negotiate prices or obtain volume discounts. In addition, in meeting the client's brokerage directive, we may not be able to aggregate these transactions with transactions we effect for other accounts we manage and we may delay placing the orders for directed accounts until our orders for other accounts have been completed. As a result, the net price paid or received by the directed account may be different than the price paid or received by our other accounts, as we may be unable to achieve the most favorable execution. Directing brokerage may cost clients more money.

Trade Aggregation. When a trade is placed for more than one advisory client, Amherst Capital may, in its discretion, aggregate orders or block trades when Amherst Capital believes this will result in more favorable execution. All Amherst Capital's clients may participate in block trades to the extent it is consistent with the accounts' investment policy, guidelines and restrictions.

Amherst Capital client(s) transactions may be aggregated with client(s) transactions of affiliates for which Amherst Capital's officers are also officers of such affiliates. When trades are aggregated, each account within the block will receive the same price.

It is not expected that the Levered Fund and the Unlevered Fund will co-invest in the same Loan.

Trade Allocation. If a block order is filled in its entirety, the order will be allocated in accordance with the pre-trade allocation specified. If a block order is partially filled, the order is allocated among the accounts specified on the trade ticket on a pro rata basis in proportion to the intended pre-trade allocation. When trades are aggregated, each account within the block will receive the same price and execution. Any deviation from the pro rata allocation policy must be for good cause. On a daily basis the Head of Investment Operations checks the partial fill report which shows any deviations from pro-rata allocation policy. Deviations are usually due to a cash flow in an account, minimum denomination increments or diminimus allocations.

Investment Allocation. We expect to allocate investment opportunities between the Levered Fund and the Unlevered Fund when a Loan term sheet is first issued. We will alternate between the two CRE Funds unless a particular opportunity is an ineligible investment for a CRE Fund for reasons detailed in our policies and procedures and the Governing Documents, including because the investment violates any investment restriction criteria for the CRE Fund on queue, or the CRE Fund on queue does not have sufficient remaining uncommitted, unreserved or unallocated capital for that specific investment. If during the rotation, we believe in its discretion that a particular opportunity may not be appropriate for the CRE Fund next in the rotation, we may allocate that opportunity to the other CRE Fund subject to the approval of the investor advisory committee of both CRE Funds.

Trade Error Procedures. Trade errors occur when intended securities transactions are incorrectly executed or processed or not executed or processed when or as intended. Amherst Capital takes an active role in all error corrections, and requires that all errors must be promptly corrected. Amherst Capital's policy is that we may not use other client accounts, a client's brokerage account, or any proprietary account of Amherst Capital or of its affiliates to correct a trade error. In addition, Amherst Capital requires that no client be disadvantaged as the result of a trade error we have caused.

Pursuant to this policy, clients retain any gain associated with a trade error caused by Amherst Capital and are reimbursed for any losses resulting from a trade error caused by Amherst Capital. Gains from one error may not be netted against losses created by another error; netting is permitted only if gains and losses are attributable to the same investment decision and if the account involved is not subject to ERISA.

Amherst Capital's goal is to avoid errors by taking preventive measures. After errors have been corrected, Amherst Capital's practice is to examine its order management and trading procedures and implement any revisions needed to limit the likelihood of recurrence.

Amherst Capital is responsible for its own errors and not the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by Amherst Capital. Amherst Capital, in its sole discretion, may assist, to the extent possible, with the appropriate correction of errors committed by third parties.

Item 13. Review of Accounts

The investment portfolios of the Funds will be generally private, illiquid and long-term in nature; accordingly, our review of them is not directed toward a short-term decision to dispose of investments. With respect to investments such as bank and other loans, financings, originations and related credit, fixed income and other instruments and claims, Amherst Capital and its affiliates' professionals will continually review and analyze existing investment positions to attempt to identify issues early on and to take action when necessary.

We will make available the books and records of the Funds as to the extent provided in the Funds' Governing Documents. Generally, we will provide annual audited reports to the investors in Funds, and may receive other reports pursuant to the terms of the applicable Governing Documents of the Fund. Each year, we will assist the Funds in the preparation of reports setting forth information necessary for the Fund investors to complete their tax returns.

Item 14. Client Referrals and Other Compensation

Unaffiliated Solicitors and Placement Agents. We may hire third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees may provide such placement agents and/or their salespersons with an incentive to favor these sales over the sale of other investments with respect to which the placement agent does not receive such compensation, or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and their respective affiliates may provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

From time to time, we may enter into agreements with third parties, providing cash compensation to solicitors who secure clients for Amherst Capital. These agreements require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Advisers Act, and are in compliance with the requirement that each client subject to a referral arrangement receive a copy of the referral agreement prior to or at the time of entering into an agreement with us. They generally provide either for compensation equal to a specified percentage of fees received by Amherst Capital from clients referred by the solicitor, or for fixed compensation payable monthly or quarterly.

Affiliated Solicitors and Placement Agents. We may pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. Please see the discussion of affiliated placement agents in Item 10 of this Brochure.

Our ultimate parent company, BNY Mellon, has organized its lines of business into two groups: Investment Management and Investment Services (collectively "Groups"). We are part of the Investment Management Group. A sales force has been created to focus on developing new customer relationships and developing and coordinating large complex existing customer relationships within those Groups.

In certain circumstances, Investment Management sales representatives are paid fees for sales. The fees may be based on revenues and may be a one-time payment or paid out over a number of years. In addition, our sales representatives and sales representatives of our affiliates within the Investment Management Group are paid for intra-Group referrals to Group counterparts. Those fees are based on the first year's revenue for the Group counterpart.

Sales of any alternative investment products (such as private funds) may be made through a broker-dealer affiliate. Only registered representatives of such broker-dealer receive compensation for sales of alternative investments.

We may pay a fee to an affiliate (or directly to employees of the affiliate) that has a pre-existing relationship with a new client in the Investment Services Group. The fees may be based on revenues and may provide for a one-time payment or payments over a number of years.

We and our affiliates also participate in the BNY Mellon Incentive Compensation Plan, which presents certain conflicts of interest, all as described in Item 10 of this Brochure.

Item 15. Custody

Rule 206(4)-2 under the Advisers Act (the "Custody Rule") defines "custody" to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

Amherst Capital is deemed to have custody over the assets in the Funds by virtue of its relationship with the applicable General Partner. Amherst Capital complies with the Custody Rule by causing the Funds to hold securities and other funds in custody with a qualified custodian and to issue audited financial statements that are prepared in accordance with generally accepted accounting principles and distributing such statements to investors in the Funds within 120 days of the end of the fiscal year.

Item 16. Investment Discretion

Pursuant to the Investment Management Agreement of each Fund, and subject to the direction and control of each General Partner of such Fund, we will perform the day-to-day investment operations of each such Fund in accordance with the terms and conditions of the Governing Documents of such Fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines of each Fund. See Item 4 of this Brochure for more information.

Item 17. Voting Client Securities

As a result of the investment strategies employed by the Funds, we do not anticipate receiving proxy ballots. In the unusual circumstance that it receives proxy ballots, we will generally abstain from voting any proxies if it determines that the costs associated with exercising the proxy outweigh the benefits.

The complete proxy voting policy and procedures are available for review upon request at the address on the cover of this document. In addition, we will maintain a record of all of the proxy votes cast on behalf of the Funds and such records may be reviewed upon request.

Item 18. Financial Information

Not applicable.