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Form ADV Part 2A: Firm Brochure

3/20/17

This brochure provides information about the qualifications and business practices of NewMark Capital LLC ("NewMark"). If you have any questions about the contents of this brochure, please contact Mark Gold, Chief Investment Officer and Chief Executive Officer (referred to herein as the "CIO"), at 212-710-1880 or David Feldman, Esq., Equity Portfolio Manager of NewMark Retail Investor Division ("NewMark RID"). 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 NewMark is also available on the SEC's website at www.adviserinfo.sec.gov. Please note that registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

We have updated information regarding our advisory business. Please refer, in particular, to items 4, 5, 6, 8 and 12 (change of the broker / custodian) for more information on NewMark RID.

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ITEM 4. ADVISORY BUSINESS

NewMark is a limited liability company organized under the laws of Delaware, and Mark L. Gold is its managing member.

NewMark is organized for the primary purpose of providing, directly or through subsidiary entities or joint ventures, a full range of investment advisory and management services, and acting as an investment manager and management company of one or more investment funds or other similar entities (each, a "Fund"), or any other managed accounts or similar entities, or any other investment business or activity, consistent with the following and in such capacity, referred to herein as the ("Adviser"). NewMark may also engage in investment, trading or financing activities of all kinds (for its own account or the accounts of others) and carry on any business relating thereto or arising there from, including entering into any partnership, joint venture or other similar arrangement or owning interests in any entity engaged in any of the foregoing activities.

The Adviser specializes in the analysis of below investment grade commercial bank loans also known as senior secured corporate loans ("SSCLs"). NewMark's investment advisory services are provided to special purpose vehicles known as Collateralized Loan Obligation Funds (sometimes referred to herein as "CLOs"). NewMark may, in the future, provide advisory services to a variety of different types of clients.

At NewMark we tailor our advisory services to the individual needs of our clients. Generally, at the time a fund is structured, there is discussion between Adviser and the Fund, regarding the investment strategy and risk, investment restrictions and investment structure and on other aspects of NewMark's management of their respective portfolios.

In October 2015, NewMark Launched its Retail Investment Division ("NewMark RID"). This division provides investment advisory services to individuals through separately managed accounts. NewMark RID targets equity investments in primary and secondary markets, and other income producing investments such as bonds, ETFs and mutual funds. NewMark RID is managed by David Feldman, Esq., Equity Portfolio Manager and is segregated operationally and not otherwise supported by the NewMark analyst team to prevent conflicts of interest and any flow of material non-public information between the CLO business and NewMark RID. NewMark RID investments are traded through our custodian.

As of December 31, 2016, NewMark had approximately \$798 million in assets under management facilitated through two CLOs and approximately \$20.5 million in 87 accounts in NewMark RID on a fully discretionary basis. The issuers for the CLOs are NewMark Capital Funding 2013-1 CLO Ltd. and NewMark Capital Funding 2014-2 CLO Ltd. These issuers are exempted companies incorporated with limited liability under the laws of the Cayman Islands. Each issuer has a corresponding co-issuer, each of which is organized under the laws of Delaware. Each co-issuer, however, has no assets, employs no persons or advisers and has no ongoing activities other than being the co-issuer of the corresponding issuer's notes. Accordingly, all references herein to "Funds" or "CLOs" refer to the Cayman-organized issuers only.

ITEM 5. FEES AND COMPENSATION

The Adviser's fees are negotiable and typically include a senior management fee, a subordinated management fee and incentive management fees. Fees are not required to be paid in advance, and we do not have a set fee schedule. Specific fee rates and the methodology for calculating fees are agreed to at the time a particular Fund closes, are described in each Fund's investment advisory agreement. The senior and subordinate management fees are determined and paid quarterly in arrears, depending on certain cash distribution constraints governing the Funds, generally calculated as a percentage of the assets under management ("AUM") within a particular Fund. However, once a CLO has closed, fees for the life of the Fund are not negotiable, but the Adviser may, in its discretion, waive all or a portion of its fees.

In addition to paying investment management fees and any applicable performance-based fees, the Funds may also be subject to ongoing operation expenses such as trustee, collateral administrator, portfolio administrator, accountants, and lawyers, rating agencies, and regulators. If an account is structured as an investment fund, the additional fees may include investment expenses such as commissions, due diligence expenses, research fees and expenses, interest on margin accounts and other indebtedness. The Funds generally reimburse the Adviser from time to time for certain out-of-pocket expenses related to the services provided by the Adviser to the Fund. The Funds may also incur brokerage and other transaction costs; please reference Item 12 of this Brochure for additional information.

None of NewMark's officers, partners, directors, employees or any other person that provides investment advice or otherwise subject to our supervision or control (so-called "supervised persons") accepts any compensation for the sale of securities or other investment products offered by NewMark.

NewMark RID Asset Management Fee – NewMark RID shall be entitled to an asset management fee computed at an annual rate of 1.0% of the Net Assets of the Account ("Asset Management Fee"). Account means a total market value of client's assets managed by NewMark RID at the end of the calendar quarter. The asset management fee shall be calculated and accrued at the rate of one-fourth of 1.0% of the Net Assets of the Account on the last day of each calendar quarter, and shall be payable as of the first day of the following calendar quarter. In the event the Manager is not acting as the Manager for an entire calendar quarter or in the event that assets are added to the Account or withdrawn from the Account during any quarter, the asset management fee payable for such quarter shall be appropriately prorated on a daily basis. "Net Assets" shall mean the total assets in the Account, including all cash and cash equivalents, accrued interest and the market value of all securities and other assets, less all liabilities, including brokerage commissions (but excluding the Manager's asset management fee being computed) payable with respect to the Account. NewMark is not charging its individual investors a performance fee. NewMark RID clients are responsible for brokerage commissions and maintenance fees payable to Raymond James Financial (Alex-Brown), NewMark RID's

custodian. NewMark does not receive any compensation in the form of “soft dollars” or otherwise from Raymond James Financial (Alex-Brown). NewMark receives no compensation from a broker based on the amount or number of trades executed by NewMark RID.

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

In addition to senior and subordinate management fees, the Adviser's fees typically include performance-based incentive fee (“Incentive Management Fee”). Performance-based compensation is calculated based on the terms set forth in each Fund's offering document. Such compensation is typically generated and paid quarterly, depending on certain cash distribution restrictions governing the Funds, and is determined based on a specified percentage of remaining investment proceeds above a separate performance hurdle. The performance hurdles for these calculations are determined as proceeds from the Funds' respective investments, and residual interest tranche investors (i.e., the “equity” investors in the fund) receive, if the applicable hurdles are met, a cash-on-cash return or an internal rate of return (“IRR”) above specified percentages on their respective net invested capital.

Incentive fees may create an incentive for NewMark's personnel to purchase assets that are riskier or more speculative than would be the case if such incentive fees were not payable.

Please refer to Item 11 for additional disclosures regarding conflicts of interests.

NewMark is not charging its individual investors a performance fee. Other non - CLO clients may be charged performance incentive fees.

ITEM 7. TYPES OF CLIENTS

NewMark's principal clients are predominantly CLOs, the interests in which are offered pursuant to exemptions from registration under the Securities Act of 1933, as amended, and the CLO's are exempt from registration pursuant to the Investment Company Act of 1940, as amended. These CLOs are issued at discrete points in time and typically are closed to new investors once a deal has been underwritten. CLO investors are generally insurance companies, banks, structured credit funds, hedge funds, public and private employee benefit plans, trusts, and corporations, other sophisticated institutional investors, including private investment funds and endowments, and high net-worth individuals. NewMark's RID client accounts are retail investors and such individuals may not qualify for high net worth status.

Together, these investors form the collateral pool to which NewMark serves as investment adviser. Thus, the client is the CLO, and not the underlying note-holders within the structures. The Adviser actively manages the pooled collateral in order to pay interest and principal and will regularly report to the underlying investors as to the performance of the aggregate portfolios. It is important to note that each CLO has a finite life and has certain time frames during which a manager can actively manage a portfolio. Minimum note denominations for CLOs (USD denominated notes) are approximately USD 250,000, which can be waived at our discretion.

NewMark also provides investment advice to other types of investors, generally through separately managed accounts, including individuals as part of its new retail investment advisory business, NewMark RID. The minimum to open an account at NewMark RID is USD 5,000 unless waived by senior management

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

The Adviser positions itself as strong fundamental corporate credit manager focusing on SSCLs. Our investment priority is preservation of capital invested while seeking to deliver consistent risk adjusted returns to investors.

We make most of our investment decisions assuming that the SSCL will be held to maturity, with emphasis on each loan's recovery in the event of default. Therefore we invest in loans with robust recovery values supported by a cushion comprised of collateral and enterprise value. Our analysis focuses on industry, the borrower's business, management capabilities, debt service capacity, legal structure, collateral value and use of proceeds.

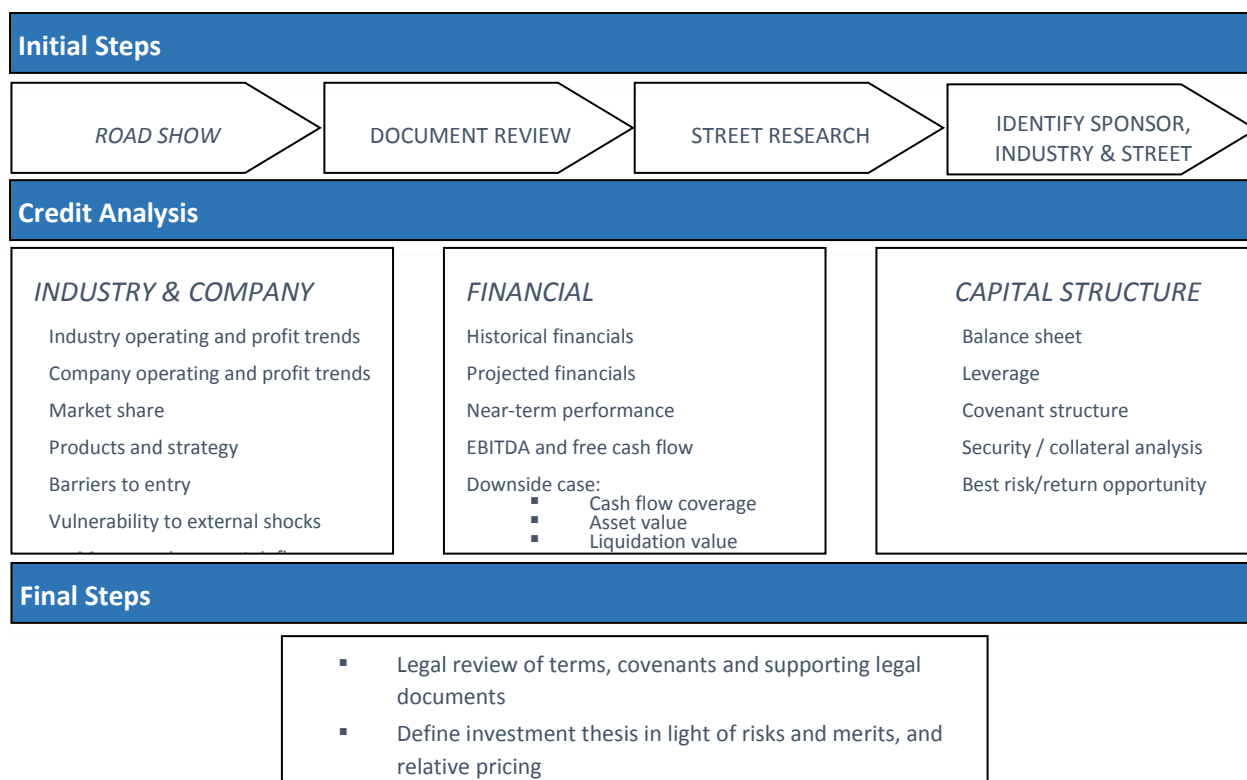
The Adviser's analysts undertake in-depth financial analysis of individual names and monitor market developments across their respective sectors. They combine a fundamental, cash flow approach with an understanding of the target company's capital structure and specific securities to facilitate absolute and relative value judgments on individual names, perform risk and scenario analyses. The Adviser's analysts make recommendations on positions in particular credits, capital structure trades and opportunities that arise between names.

NewMark Credit Analyst Checklist: Detailed Industry and Credit Analysis

NewMark uses a disciplined, multi-step credit process that provides systematic review of the key quantitative and qualitative variables impacting credit quality for each company.

The Adviser's credit analysis is similar to equity research, in that it is forward looking, but different in its preoccupation with preserving principal.

The Adviser is mainly focused on the down-side risks of individual assets within a target portfolio.



The CIO supervises the analyst team. The CIO analyzes trade ideas, monitors the portfolio, and looks for investment opportunities and is ultimately responsible for deciding which investment ideas to implement. The CIO makes these determinations based on the current exposures in the portfolio, structural portfolio considerations, the market environment, the relative attractiveness, risk profile, and liquidity of the new position, and the judgment of the analysts.

Credit Monitoring:

- Established screens and procedures to monitor credit-specific developments, peer group performance, general industry trends and economic development that may impact credit.
- Review of broker price movements across the capital structure.
- Anticipate and monitor earnings releases including quarterly calls or meetings with management if appropriate or warranted.
- Review credits each quarter with a prospective focus towards the next quarter's earnings and the remainder of the year. Our analysts anticipate liquidity trends and any potential covenant breaches and memorialize each review in a quarterly report.

The Sell Process:

Active portfolio management monitors actual performance against expectations. We anticipate actual or potential deterioration in credit quality that warrants the sale of a security. The following is a representative list of our considerations in respect of a potential sale of a security:

- NewMark loses confidence in the security's management team or sponsor;
- The Adviser changes its original investment thesis;

- The reallocation of a portfolio due to relative value within industries;
- The availability of other assets that offer a better risk/reward return; or
- Diversification of the portfolio.

For stressed or distressed investments, the sell decision is predicated on either the investment achieving the Adviser's expected recovery value or the market value exceeding the expected recovery value.

Risk

Funds managed by the Adviser are offered to investors pursuant to disclosure documents that contain detailed information about the risks of investing in the Funds, including the risks relating to the securities issued to investors by the Funds and those relating to the underlying assets held by the Funds. With respect to each Fund the Adviser manages, the summary of each Fund's investments risks in this Brochure is qualified in its entirety by the disclosure document for that particular Fund. **You should carefully review each Fund's offering circular before investing in such Fund or making an investment decision to buy, sell or hold the securities issued by the Fund.**

The securities we invest in are subject to many risks, which include, but are not limited to, credit, liquidity, interest rate and exchange rate risks, general economic conditions, operational risks, structural risks, the condition of financial markets, political events, developments or trends in any particular industry, changes in prevailing interest rates and periods of adverse performance.

Risk management function is driven by the CIO, Mark Gold, who has over 30 years of experience investing in leveraged loans, high-yield bonds, structured credit products, distressed debt and other special situations.

NewMark has explicit concentration limits in each of the following categories:

- Single obligor;
- Industry (*i.e.*, concentration of obligors in any one sector);
- Asset class (e.g., bank debt, bonds, distressed, structured credit);
- Currencies – the fund is focused on U.S. dollar assets; and
- Place of domicile.

Risks of investing in bank loans

Investing in bank loans poses certain risks, including limited liquidity and secondary market support, the limited supply of some new issue bank loans, the possibility that earnings of the loan obligor may be insufficient to meet its debt service, the declining creditworthiness and potential for insolvency of the obligor of bank loans during periods of economic downturn, spread compression over the reference interest rate available for reinvestment during any period in which prepayments are received, and if subordinated, subordination to the prior claims of other loans or senior lenders. An economic downturn could severely disrupt the market for bank loans and

adversely affect the value of outstanding bank loans and the ability of the obligors to repay principal and pay interest.

In allocating limited supply, new issue SSCLs among CLOs, the Adviser will endeavor, in its judgment and on an overall basis, to treat each CLO in a manner it considers equitable in light of all relevant factors. These factors may include the relative sizes, investment capacities and ages of the CLOs, differences in indenture restrictions and requirements among the CLOs; efficient transaction sizes; and the relative positions of the CLOs in terms of portfolio ramping. For example, in order to enable a ramping warehouse to acquire sufficient collateral to launch a new CLO, we may accord it temporary preferences in the allocation of new issue SSCL opportunities.

If a default occurs with respect to an SSCL, and the holder of the SSCL sells or otherwise disposes of the SSCL, the proceeds of the sale or disposition will likely be less than the unpaid principal and interest thereon.

SSCLs may become non-performing for a variety of reasons and as a result may require substantial workout negotiations or restructuring that may include a substantial reduction in the interest rate, a substantial reduction of the principal or a substantial extension of the amortization or maturity date of the loan. Any such event will likely cause a significant decrease in the interest collections on the loan and or a significant decrease in the principal collections on the loans.

The SSCL investor (*i.e.*, typically one of the Funds) generally will purchase an assignment of, or a participation in, an SSCL issued under a loan facility to which more than one lender is a party. These loan facilities are most often administered by agent lenders on behalf of the lenders pursuant to a loan agreement. In addition, because of the unique and customized nature of a loan and the private syndication of a loan, certain syndicated loans may not be purchased or sold as easily as publicly traded securities, and the trading volume in the syndicated loan market has been small relative to the market for high-yield bonds. Trading in loans is subject to delays due to their unique and customized nature, and transfers may require extensive documentation, the payment of significant fees and the consent of an agent bank or the underlying obligor. In addition, the investor may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a loan.

Historical information regarding default and recovery rates of SSCLs is limited. Actual default and recovery rates could vary significantly from historical observations. Historical information on the market value volatility of SSCLs is limited, and SSCLs could be subject to market volatility not apparent from historical volatility studies. Such volatility could be significant at times.

Some bank loans in which the Adviser invests on behalf of the CLOs may be junior loans or subordinated loans, which are typically subject to intercreditor arrangements, which may prohibit or restrict the ability of the investor to exercise rights against the obligor with respect to their second liens, to challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens, to challenge the enforceability or priority of the first liens on the

collateral, and to exercise certain other secured creditor rights, both before and during a default or bankruptcy of the obligor.

During a bankruptcy of the obligor, the holder of a junior loan may have to give advance consent to any use of cash collateral approved by the first lien creditors, sales of collateral approved by the first lien lenders and the bankruptcy court, and debtor-in-possession financings.

Bank loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued unpaid interest thereon. Prepayments may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that bank loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment.

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories. Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the obligor or has assumed a degree of control over the obligor that creates a fiduciary duty owed to the obligor or its other creditors or shareholders. Because of the nature of bank loans, the investor could be subject to allegations of lender liability made against it as part of a group of lenders and may be liable for pro rata liabilities of the agent or lead lender.

SSCLs pay interest based upon floating rates. During periods of rising interest rates, the total payment obligations of the issuers or obligors of floating rate debt will increase. This in turn could lead to an increase in default rates on such securities.

Risks of investing in high-yield ("HY") bonds

While we primarily invest in SSCLs, our clients indentures permit and we can hold a limited number of HY bonds.

HY bonds are rated below investment grade and thus have greater credit and liquidity risk than investment grade obligations. HY bonds typically pay a fixed rate of interest and are generally unsecured and may be subordinated to other obligations of the issuer. The lower ratings of HY obligations reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions may impair the ability of the issuer to make payments of principal and interest.

Risks of HY bonds also include limited secondary market support, substantial market price volatility resulting from changes in prevailing interest rates, subordination to the prior claims of banks and other senior lenders, the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the investor to reinvest premature redemption proceeds in lower-yielding bonds, the possibility that earnings of the issuer may be insufficient to meet its debt service, and the declining creditworthiness and potential for insolvency of the issuer during periods of rising interest rates or economic downturn.

An economic downturn or an increase in interest rates could severely disrupt the market for HY bonds and adversely affect the value of outstanding HY bonds and the ability of the issuers thereof to repay principal and interest. The market for both investment grade and HY bonds is not liquid at all times and for all issuers. Particular issues may be concentrated in the hands of only a few investors, many of such bonds are not registered under securities laws and most are not listed, and market-making activity, if any, may cease.

Risks of investing in Equity securities

An investment in equity securities is subject to partial or complete risk of loss since an investment in common stock is a residual claimant in the event of a bankruptcy. David Feldman, the portfolio manager performs extensive research to prevent or avoid risk of loss, however such a possibility is always present when investing in equity securities. Equity investments may not lag benchmark indexes and this risk is assumed by the investor when investing in individual securities through NewMark RID.

Retail Investor Division (NewMark RID)

Separately managed accounts are individually analyzed based on each client's needs. Factors of analysis include but are not limited to: free cash flow; dividends; historical performance of an individual security, that security's dividend growth rate and its relative performance against major indices; Federal Reserve's macro-economic outlook; the global economy as well the political environment

NewMark RID performs all of its investment decisions through David Feldman, the equity portfolio manager of NewMark RID. To prevent conflicts of interest and improper sharing of material non-public information, NewMark RID and David Feldman are operationally segregated from the rest of NewMark's advisory business and neither NewMark RID nor David Feldman is supported by NewMark's analysts.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by NewMark) or product made reference to directly or indirectly by NewMark on its web site, or indirectly via a link to an unaffiliated third party website, will be profitable or equal the corresponding indicated performance level(s). Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client or prospective client's investment portfolio. Historical performance results for investment indices and/or categories generally do not reflect the deduction of market standard fees and expenses including transaction and/or custodial charges and an investment management fee, nor the impact of taxes, which would have the effect of decreasing historical performance results.

The minimum to open an account at NewMark RID is USD 5,000 unless waived by senior management. Once the opening minimum of USD 5,000 is met there is no requirement to maintain a minimum balance at NewMark RID for the account to remain open. Each client

and prospective client agrees, as a condition precedent to his/her/its access to NewMark RID, to release and hold harmless NewMark RID and NewMark generally, its officers, directors, owners, employees and agents from any and all adverse consequences resulting from any of his/her/its actions and/or omissions which are independent of his/her/its receipt of personalized individual advice from NewMark RID.

ITEM 9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the investment adviser or the integrity of the investment adviser's management. NewMark and its management personnel have no disciplinary information applicable to this Item 9 to disclose.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered investment advisers are required to disclose certain other financial industry activities and affiliations with related parties, which might give rise to a material conflict of interest. NewMark is affiliated with HillMark Capital Management LLC.

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

In performing its obligations to its clients and investors, NewMark strives to conduct its business with the highest ethical standards and adheres to a strict policy of compliance with all applicable laws, regulations and compliance standards. As such, NewMark has adopted a Code of Ethics ("Code") designed to address and prevent potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Code describes NewMark's high standard of business conduct and fiduciary duty to its clients. The Code includes, among other items, provisions relating to the confidentiality of client (including investors in the Funds) information, prohibition on insider trading, prohibition of spreading rumors, restrictions on the acceptance of extravagant gifts and entertainment, the reporting of certain gifts and business entertainment, and personal securities trading procedures. The Code is designed to ensure that the personal securities transactions, activities and interests of the employees of NewMark will not materially interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities and transactions have been designated as exempt securities or transactions based upon a determination that these would materially not interfere with the best interest of clients. In addition, the Code requires pre-clearance of certain transactions. Employee trading is monitored by the Chief Compliance Officer ("CCO") to reasonably detect and prevent conflicts of interest between NewMark and its clients, including in respect of investments that NewMark may make alongside its clients. Among other things, the Code requires supervised persons to:

- Refrain from trading in securities that the CCO and NewMark management deem to pose a potential conflict of interest;
- Comply with the federal securities laws, certifying that they have read and understand the Code and reporting any violations of the Code to the CCO;
- Refrain from trading in either in their personal accounts or on behalf of clients on the basis of material non-public information; and
- Refrain from using their respective positions for an improper personal benefit.

Employees who violate the Code or NewMark's Compliance Manual are subject to disciplinary action including, but not limited to, written warnings, fines and termination of employment.

NewMark is committed to allocating investment activities among its clients in a manner that is on a fair and equitable basis, including in respect of investments it may make alongside its clients, and has adopted policies and procedures to guide the determination of such allocations. Those policies and procedures seek to mitigate the potential that NewMark will allocate investment opportunities to clients in a self-interested manner. Generally, an investment opportunity will be allocated to a client if the opportunity reasonably falls within such client's mandate or is otherwise deemed suitable by NewMark. If an investment opportunity falls within the mandate of, or is otherwise deemed suitable for, two or more clients and it is not possible to fully satisfy the investment interest of all such Clients, the investment opportunity will generally be allocated pro rata based on the size of each client's original investment interest. The size of each Client's investment interest is generally based on each Client's available capital or net asset value.

NewMark will provide a copy of its Code to any client or prospective clients upon request. Laws and ethical standards impose on NewMark and its employees duties to avoid conflicts of interest between their personal investment transactions and transactions NewMark takes on behalf of its clients. In view of the sensitivity of this issue, we try to avoid even the appearance of impropriety. The personal investment transaction policies are designed to reduce the possibilities for such conflicts and or inappropriate appearances, while at the same time preserving reasonable flexibility and privacy in personal securities transactions. The requirements and restrictions contained in this Code apply to all "covered securities" in any "personal account". The term "personal account" means any securities account in which an Access Person has any direct or indirect "beneficial ownership," and includes any personal account of an Access Person's immediate family member (including any relative by blood or marriage or domestic partner either living in the Access Person's household or financially dependent on the Employee) and any trust or other account over which the Access Person has investment discretion. "Access Persons" include all NewMark officers, advisors, employees and interns.

Participation of Interest in Client Transactions

NewMark, its members and employees may from time to time have a beneficial ownership interest in the residual interest tranche (the "equity") of one or more of the CLOs.

The Adviser, its affiliates and client accounts for which the Adviser or its affiliates act as investment adviser may also at times own one or more classes of CLO securities and additional

subordinated notes. Neither the Adviser nor any of its affiliates is required to hold any interests in any CLO; consequently, the interests of the Adviser and the CLO noteholders could be viewed as being less aligned than if the Adviser or any of its affiliates were required to hold a minimum amount of such interests. The Adviser and its affiliates may not vote the CLO interests held by the Adviser, its affiliates and accounts for which the Adviser or any affiliate thereof acts as investment adviser (and for which the Adviser or such affiliate has discretionary authority) so long as the Adviser is serving as the Adviser to the issuer of any CLO with respect to: (i) termination of any of the express rights or obligations of the Adviser under (A) any respective investment advisory agreement or (B) the applicable CLO's Indenture (including the exercise of any rights to remove the Adviser or terminate the investment advisory agreement) or (ii) any amendment or other modification of the applicable Indenture increasing the rights or decreasing the obligations of the Adviser (it being understood that any such action would require the consent of the Adviser itself). However, the Adviser and its affiliates may vote CLO interests held by them and by such accounts with respect to all other matters, including the exercise of remedies after an Event of Default (as defined in the applicable Fund organizational document) or the approval of or objection to a replacement Adviser.

Other conflicts of interest involving the Adviser may arise from the compensation payable to the Adviser. The existence of the Incentive Management Fee may create an incentive for the Adviser to approve or cause the issuer of a CLO to make investments in more speculative assets than it would otherwise make in the absence of such performance-based compensation.

To address potential conflicts of interest, NewMark's policies and procedures are structured in a manner to mitigate such risk and to increase transparency in the investment process. This approach includes the following:

1. We disclose to clients and investors the existence of material conflicts of interest.
2. Each Fund's organizational documents contain investment and leverage goals, parameters and limitations. Potential investments that do not conform to such goals, parameters and limitations are prohibited from acquisition by the applicable Fund.
3. Investment opportunities are identified by the NewMark analyst team and brought to the CIO for discussion and analysis. During such meetings, key material risks to the investment are discussed and strategies are developed to mitigate or eliminate such risks, where possible. In addition, analysis is performed to determine whether or not the investment meets the applicable Fund's overall strategy and is within the limitations set forth in the Fund's organizational documents. The CIO must approve all acquisitions. The client should understand the performance-based fee compensation arrangement and its risks prior to entering into an investment advisory agreement with us.

ITEM 12 – BROKERAGE PRACTICES

Brokerage Selection

Subject to the investment objectives, policies and restrictions of each Fund as set forth in its respective governing documents, the Adviser has discretionary authority to determine the type,

amount, and price of securities and investments to be bought and sold on behalf of each client or Fund, including the selection of, and commissions paid to, brokers.

NewMark may buy or sell loans through numerous agent banks for new issue loans and through numerous banks and other trading counterparties for secondary market loan trading. NewMark has full discretion to determine its trading counterparties, but it typically trades with the trading counterparty offering the most favorable price. Our trading counterparties generally do not charge commissions, instead earning a return on the bid/ask spread of the securities that they trade. When considering the reasonableness of a bid/ask spread, we may consider a loan's yield, the loan's availability through other agent banks, and prevailing market conditions, among other things.

Aggregation and Allocation of Trades

NewMark, at its discretion, may aggregate orders in the same security for Funds transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis among the Funds in the order. Exceptions to pro-rata allocations may occur if, among other things, there is a (i) *de minimis* fill; (ii) insufficient cash in an account; or (iii) need to raise cash in a Fund.

The Company believes that by aggregating orders, commission rates and transaction costs may be reduced. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by effecting Fund transactions separately. NewMark believes that aggregating orders contribute to seeking best execution.

Research and Other Soft Dollar Benefits.

Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a safe harbor that permits investment advisers, when selecting brokers to execute transactions for client accounts, to take into account certain research products and services provided to such adviser by brokers. NewMark does not engage in soft dollar arrangements. We have been given access to research by major banks, but we are under no obligation to direct our trades based on being given the access.

NewMark RID accounts are managed and traded through Raymond James Financial (Alex-Brown). NewMark RID investments were traded through Deutsche Bank Securities Inc. until August 2016. Thereafter NewMark RID investments were traded through Raymond James Financial (Alex-Brown) which became a custodian for NewMark RID investments. Each client is responsible for any commission or fee payable to the Raymond James Financial (Alex-Brown). Commissions may vary from trade to trade since they are based on a number of shares aggregated in a trade. NewMark RID receives no compensation of any kind for the transactions executed on a client's behalf. Any individual account with a balance of USD 5,000 at the time of the transaction is entitled to five commission free trades per calendar year. The trades are commission free to the client because commission is deducted from NewMark RID's advisory fee.

ITEM 13. REVIEW OF ACCOUNTS

The CIO and analyst team will review and monitor the performance and credit quality of all of the portfolio collateral on an ongoing basis. The review seeks to identify problem credits prior to default to establish candidates for a watch-list that is frequently updated. Aggregate portfolio issuers are formally reviewed, at a minimum, on a quarterly basis. Additional reviews may be triggered by various events including changes in market conditions and other circumstances.

Account summaries are sent to investors quarterly, and the Trustee of each CLO distributes a written monthly report to the underlying investors that identifies the portfolio holdings and investments in the applicable CLO.

NewMark's RID division reviews and discusses account performance and investments objectives with each client on a quarterly basis.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

NewMark does not currently have any arrangement whereby we receive an economic benefit from a person who is not a client for providing investment advice or other advisory services to clients. NewMark does not currently have any arrangement whereby we directly or indirectly compensate any person for client referrals.

ITEM 15. CUSTODY

It is NewMark's general policy not to have custody of any client assets, but it may be deemed to have such custody in the future. In that case, and if a qualified custodian sends quarterly or more frequent account statements directly to you, you should carefully review those statements. If, in addition, the Adviser sends account statements to you, you should compare those statements to the custodian's account statement.

ITEM 16. INVESTMENT DISCRETION

Through execution of each Fund's organizational documents, the Adviser has discretionary authority for the management and conduct of the affairs of the Funds for which it provides advisory services. NewMark is responsible for and has the authority to identify, acquire, manage, and sell investments. Other responsibilities include, but are not limited to, determining investment strategy, conducting research, and portfolio management. When selecting and managing investments for its clients, however, the Adviser is subject to the investment guidelines and restrictions included in the offering circulars and organizational documents of each Fund. The Adviser's clients also customarily limit the Adviser's discretionary authority through specific restrictions or requirements relating to the Adviser's investment activity, including, among other things, restrictions on the types of instruments the Adviser may trade for such client's account.

Before it assumes this authority, the Adviser enters into either an investment management or similar agreement with each such client, or a limited power of attorney, establishing the authority and specifying any limitations on the authority.

Prior to any investment, NewMark RID discusses that investment opportunity with the applicable investor.

Any Account managed by NewMark RID has discretion to be frozen and/or activity thereon suspended. NewMark RID exercises investment discretion unless client chooses to suspend or freeze the activity, providing the client notifies NewMark RID in writing.

ITEM 17. VOTING CLIENT SECURITIES

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests. Rule 206(4)-6 under the Advisers Act (the “Proxy Voting Rule”) places specific requirements on registered investment advisers with proxy voting authority. Due to the nature of NewMark’s investment strategy, equity securities will generally not be a large portion of the investments of any Fund. Nevertheless, because NewMark generally has discretionary authority over the securities held by the Funds, NewMark is viewed as having proxy voting authority over such securities. Accordingly, NewMark is subject to the Proxy Voting Rule. To meet its obligations under this rule, NewMark has adopted written Proxy Voting Policies and Procedures, which are available upon request. These policies and procedures are reasonably designed to ensure that NewMark votes proxies in the best interest of the Funds and addresses how it will resolve any conflict of interest that may arise when voting proxies.

ITEM 18 FINANCIAL INFORMATION

NewMark does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of services rendered. Accordingly, NewMark is not required to provide a balance sheet in response to this Item 18.

NewMark does not have any financial condition that is reasonably likely to impair NewMark’s ability to meet contractual commitments to its clients.

NewMark has not been the subject to a bankruptcy petition at any time since its inception in 2013.