

Firm Brochure
(Part 2A of Form ADV)

DIRECT LENDING INVESTMENTS, LLC
1150 Foothill Boulevard, Suite F
La Canada, CA 91011

Telephone: (213) 286-9026

Email: brendan@dirlend.com

This brochure provides you with information about the qualifications, business practices and nature of advisory services of Direct Lending Investments, LLC, all of which should be considered before becoming an advisory client of our Firm. Please contact Brendan Ross, Chief Executive Officer, if you have any questions about this narrative brochure.

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.

We are registered as an Investment Adviser with the SEC. Registration does not imply a certain level of skill or training. Additional information about our Firm is available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Our Firm's CRD number is 282476.

March 23, 2017

Item 2 Material Changes

This Item 2 discusses only material changes made as of the date above to this Form ADV Part 2A ("Firm Brochure") since Direct Lending Investments, LLC ("Direct Lending") filed our most recent Firm Brochure update on October 28, 2016.

Pursuant to SEC rules, you will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

Material Changes since the Last Update

The assets under management has been revised to reflect February 28, 2017 balances.

Full Brochure Available

We will provide you with a new version of the Firm Brochure as necessary based on changes or new information, at any time, without charge. Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at **213-286-9026** or by email at: **brendan@dirlend.com**.

Item 3 Table of Contents

Item 1	Cover Page.....	0
Item 2	Material Changes	1
Item 3	Table of Contents.....	2
Item 4	Advisory Business.....	3
Item 5	Fees and Compensation.....	5
Item 6	Performance-Based Fees & Side-by-Side Management	7
Item 7	Types of Clients.....	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9	Disciplinary Information	14
Item 10	Other Financial Industry Activities and Affiliations	14
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Item 12	Brokerage Practices	16
Item 13	Review of Accounts	17
Item 14	Client Referrals and Other Compensation.....	18
Item 15	Custody.....	19
Item 16	Investment Discretion.....	19
Item 17	Voting Client Securities.....	19
Item 18	Financial Information.....	19
Item 19	Requirements for State-Registered Advisers.....	20
	Privacy Policy	21

Item 4 Advisory Business

A. FIRM DESCRIPTION

Direct Lending Investments, LLC ("Direct Lending" or the "Firm") was organized as a California limited liability company in 2012.

Direct Lending's current business activities consist of providing investment advisory services to a private investment fund structure, comprised of Direct Lending Income Fund, L.P. (the "Domestic Fund"), a Delaware limited partnership, Direct Lending Income Feeder Fund, Ltd. (the "Offshore Fund"), a Cayman Islands exempted company (the Domestic Fund and the Offshore Feeder are collectively referred to as the "Feeder Funds"). DLI Capital, Inc., a Nevada Corporation (the "Master Fund," and with the Feeder Funds, collectively the "Funds"). The Offshore Fund and the Master Fund both commenced operations on October 1, 2016. The Feeder Funds invest substantially all of their capital in debt and equity of the Master Fund, which holds investment assets directly or indirectly through subsidiaries.

Principal Owners: Brendan Ross is the principal owner of the Firm, and owns 100% of its ownership interest. Brendan Ross is the Firm's Chief Executive Officer.

B. TYPES OF ADVISORY SERVICES

Direct Lending acts as general partner to the Domestic Fund, and holds all of the voting management shares of the Offshore Fund. The Feeder Funds are the sole shareholders of the Master Fund, and therefore Direct Lending controls the Master Fund through its control of the Feeder Funds. Therefore, Direct Lending is solely responsible for the management of the Funds. Investors in the Domestic Fund are limited partners and investors in the Offshore Fund are shareholders (collectively the "Investors"). Direct Lending acts as investment manager for each of the Funds pursuant to a joint investment management agreement.

The Funds are specialty investment companies focused on generating a high level of current income through opportunistic investments in financing transactions, including without limitation, loans to small- and medium-sized businesses and consumers, and non-bank lenders. The Funds seek to fill the current financing gap created by the long-term decline in lending by banks to small and medium sized businesses and various related asset classes. For information about the investment strategy of Direct Lending, see the discussion under "*Methods of Analysis, Investment Strategies and Risks of Loss*". Further information regarding the investment objective for the Funds can be found in their private placement memoranda, explanatory memoranda and other governing documents.

The Feeder Funds seek to achieve their investment objective by investing exclusively in a revolving loan and equity in the Master Fund. The Master Fund invests directly or indirectly in short-term loans, lines of credit, receivables, other debt obligations and real estate loans.

Although the Firm cannot guarantee results, we offer our Investors in the Funds the following:

- Potential for investment returns greater than those provided by investment-grade fixed income investments resulting from investments in high yielding obligations of small and lower middle market companies and consumers and to Lending Platforms (as hereinafter defined) to such borrowers;
- Lower exposure to interest rate risk provided by investments with short-term maturities or otherwise through uncommitted financing arrangements with discretionary future advances;
- Diversified exposure to small- and medium-sized businesses and consumers across geographic areas, professions, and asset classes;
- Diversified underwriting exposure due to the acquisition of investments through multiple underwriting platforms.

This document is not an offer to sell or a solicitation of an offer to buy Interests in the Funds. Such an investment may be made only after receipt and review of the Domestic Fund's Confidential Private Placement Memorandum or the Offshore Fund's Confidential Explanatory Memorandum (collectively, the "Memoranda"). The Memoranda contain important information concerning risk factors and other material aspects of the Funds and must be read carefully before making an investment decision. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in the Memoranda.

Copies of the Memoranda are available upon request to Direct Lending by persons who are "accredited investors" as defined under Regulation D of the Securities Act of 1933.

C. TAILORED RELATIONSHIPS

Direct Lending provides investment advisory services to the Funds based on the investment objectives of the Funds. **Direct Lending does not provide tailored investment advice to the Investors in the Funds.**

D. WRAP FEE PROGRAMS

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks, and other financial institutions and affiliated and unaffiliated investment advisers through which clients of such firms receive discretionary investment advisory, execution, clearing, and custodial services in a "bundled" form. In exchange for these "bundled" services, clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

Due to the nature of its advisory services, Direct Lending does not participate in and is not a sponsor of wrap fee programs.

E. ASSETS UNDER MANAGEMENT

When calculating regulatory assets under management, an Investment Adviser must include the value of any private fund over which it exercises continuous and regular supervisory or management services. As noted above, Direct Lending's clients are the Funds. As of February 28, 2017, Direct Lending managed approximately \$910,348,775 in assets under management for the Domestic Fund, all of which Direct Lending

manages on a discretionary basis. Direct Lending does not manage any assets on a non-discretionary basis.

Item 5 Fees and Compensation

A. ADVISORY FEES AND BILLING

Direct Lending earns its fees and compensation by providing advice and investment management services to the Funds. The compensation is in the form of a management fee (the “Management Fee”) and a performance fee (the “Performance Fee”), assessed as follows:

Management Fee

The Management Fee is paid by the Master Fund monthly, in advance, to Direct Lending. The Management Fee is equal to 1/12th of 1% (1.0% per annum) of the Master Fund’s Gross Asset Amount as of the first day of each month. Gross Asset Amount for each class or series is equal to the total assets of the Master Fund times the percentage of total shares of the Master Fund made up by that class or series. The Management Fee, with respect to any share class, series or subseries, may be reduced or waived by Direct Lending.

Performance Fee

Direct Lending receives a Performance Fee from the Master Fund based upon the earnings before interest expense, capital gains or losses and taxes (“EBIT”) allocable to each share class, series or subseries. The performance fee is incurred at a rate of 20% of EBIT on a monthly basis to the extent that the net asset value (“NAV”) of those shares exceed their prior high NAV. Direct Lending is not entitled to receive a Performance Fee on capital gains, although the Funds have not historically generated any capital gains.

The term “EBIT” means (i) all income, dividends, fees and other revenue of the Master Fund, less (ii) all operating expenses of the Master Fund, including the Management Fee, but not including any federal, state, local or foreign taxes payable by the Master Fund, less (iii) net realized and unrealized loan losses, less (iv) interest expense of the Master Fund other than interest expense incurred on loans by the Feeder Funds to the Master Fund; provided, that EBIT shall not include capital gains to the extent that such gains are not offset by capital losses.

B. OTHER FEES AND EXPENSES

The Funds directly or indirectly pay for all ordinary operating and other expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal

expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings as well as extraordinary legal expenses); accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); portfolio monitoring, asset management and loan compliance expenses (to the extent performed by a third party); other governmental charges or fees payable by the Funds; costs of printing and mailing reports and notices; and other similar expenses related to the Funds, as Direct Lending determines in its sole discretion. To the extent that expenses are borne by the Funds, including those borne by the Master Fund, are paid by Direct Lending, the Feeder Funds or the Master Fund will reimburse Direct Lending for such expenses.

Direct Lending has agreed to limit the Master Fund's expenses, excluding Management Fees, Performance Fees and Transaction Expenses, to 1% on an annual basis or 0.0833% per month, of the NAV of the Master Fund as of the beginning of each month. In the event expenses of the Master Fund exceed this limitation in any calendar month, Direct Lending may elect to pay such expenses out of its Management Fee and/or Performance Fee. However, to the extent Direct Lending pays expenses of the Master Fund pursuant to this expense limitation, Direct Lending may continue to charge the Master Fund 0.0833% per month for expenses in future months (even if the actual expenses for that month are less than 0.0833%) until Direct Lending has recovered from the Master Fund all expenses previously borne by Direct Lending. Direct Lending may, at its sole discretion, modify or eliminate this expense limitation at any time.

"Transaction Expenses" consist of all amounts paid by the Master Fund (a) to effect the purchase or sale of a specific investment, including without limitation brokerage commissions, origination fees, servicing fees, clearing and settlement charges or professional fees, and (b) in connection with loans obtained by the Fund, including without limitation interest, origination fees, points or professional fees, and (c) taxes paid by the Master Fund.

C. REFUND POLICY

In the event of a withdrawal or other termination of an Investor's Interest in the Funds, any unpaid Performance Fees will be assessed in accordance with the Limited Partnership Agreement and other governing documents and through the effective withdrawal date (or termination date) applicable to such Investor.

Investors in the Funds will generally be permitted to make withdrawals of capital or redemptions of shares (collectively, "Withdrawals") as of the last business day of any calendar month, or such other date as Direct Lending may determine in its discretion (each such date, a "Withdrawal Date"), provided that Direct Lending receives at least 35 days' prior written notice of such withdrawal prior to the applicable Withdrawal Date. All withdrawals or redemptions are subject to an available cash ("Available Cash") limitation, as described below.

If aggregate Withdrawal requests are received for a particular Withdrawal Date that exceed Available Cash, as determined by Direct Lending in its sole discretion, the Funds may, in their discretion, allocate Available Cash among the Withdrawal requests in the same proportion that each withdrawing Investor's account bears to the total capital

accounts of Investor's with Withdrawal requests, determined prior to giving effect to the Withdrawal requests. To the extent that any Investor's Withdrawal request is not honored in full on a Withdrawal Date due to the Available Cash limitation, such client's Withdrawal request shall be deemed made for the next Withdrawal Date for the unsatisfied amount unless the Investor affirmatively rescinds its Withdrawal request and, if not fully satisfied as of the next Withdrawal Date because of the Available Cash limitation, then as of the next Withdrawal Date and, if necessary, successive Withdrawal Dates, each time subject to the same limitation. Any deferred Withdrawal requests shall be treated on a *pari passu* basis with the Withdrawal requests received for Withdrawal Dates subsequent to the initial Withdrawal Date at which the deferred request would have been effected in the absence of the Available Cash limitation. Any unsatisfied portion of any such Withdrawal request shall continue to be at risk in the Fund until the effective date of the Withdrawal.

The Available Cash limitation is applied separately by each Feeder Fund to Withdrawal requests that they receive. Available Cash is initially determined separately by each Feeder fund based upon whether it has the ability to pay all of the Withdrawal requests for the month, taking into account interest and dividends received from the Master Fund and new subscription proceeds for the month. In the event a Feeder Fund does not have the resources to honor in full its Withdrawal requests, it will attempt to meet the Withdrawal requests by redeeming shares in the Master Fund and obtaining repayment of loans to the Master Fund. The Master Fund is only obligated to honor redemption requests received from the Feeder Funds to the extent it has Available Cash, taking into repayments on its investments as well as commitments to Lending Platforms to increase investments with them. To the extent the Master Fund does not have Available Cash to satisfy the Withdrawal requests of both Feeder Funds, its Available Cash will be allocated between the Feeder Funds on a pro rata basis based upon the size of each Feeder Fund's Withdrawal request to the Master Fund.

If either of the Feeder Funds are not able to satisfy all Withdrawal requests due to the Available Cash limitation, then the Master Fund will not reinvest the receipts from repayments of its investments or invest new capital contributions (other than pending investment commitments) until the Feeder Funds are able to meet all pending Withdrawal requests.

D. OTHER COMPENSATION

Direct Lending does not receive any compensation other than the Management Fee and Performance Fee.

Item 6 Performance-Based Fees & Side-by-Side Management

A. PERFORMANCE-BASED FEES

Direct Lending assesses a performance-based fee in the form of the Performance Fee described in Item 5 above. Direct Lending charges the performance-based fee to all Limited Partners in the Fund in reliance on various no action letters issued by the SEC,

including Welch & Forbes, Inc., released January 26, 1974, because the Fund does not generate capital gains. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. As the clients invest in the same pool of assets proportionally, there is no opportunity for Direct Lending to influence the allocation of investments in a way that would favor higher fee paying clients.

B. SIDE-BY-SIDE MANAGEMENT

“Side-by-Side Management” refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based. Because Direct Lending’s only clients are the Funds, which invest in the same pool of assets proportionally, it does not conduct side-by-side management of dissimilar advisory accounts.

Item 7 Types of Clients

A. TYPES OF CLIENTS

Direct Lending has no clients other than the Funds and, at this time, does not offer any services to any other person.

An investment in the Feeder Funds will be suitable only for Investors who have adequate means of providing for current needs and personal contingencies, can bear the economic risk of the investment, and have no need for immediate liquidity in their investment. Investors will be required to make representations to the foregoing effect to the Feeder Funds as a condition to acceptance of their subscription.

B. CONDITIONS FOR ACCOUNT MANAGEMENT

The minimum initial capital contribution for the Feeder Funds is \$250,000. Direct Lending reserves the right to reduce the minimum initial capital contribution and to accept subscriptions for lesser amounts. The Master Fund does not accept investments from Investors, other than the Feeder Funds.

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

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Master Fund’s investment objective is to achieve a high level of current income through opportunistic investments in financing transactions, including, without limitation, in loans to small and medium sized businesses, consumers and non-bank lenders and various related asset classes. The Master Fund is opportunistic and seeks to achieve its investment objective through investing in various structures, including, without limitation:

- Directly in short term loans, lines of credit, receivables, other debt obligations or real estate loans (hereafter, the “Collateral Assets”) that it purchases from multiple loan originators (collectively, “Lending Platforms”);
- Preferred interests or common interests in special purpose vehicles (“SPVs”) that own a portfolio of Collateral Assets originated by a Lending Platform;
- Revolving facilities to SPVs that own a portfolio of Collateral Assets originated by a Lending Platform;
- Working capital lines and term loans provided to Lending Platforms;
- Real estate-backed facilities provided to real estate operators, including working capital lines, which are secured by, among other things, first or second liens on commercial and/or residential real estate.

Lending Platforms

The Master Fund has relationships with a number of Lending Platforms, and is constantly evaluating new relationships.

The Master Fund’s Lending Platforms are typically responsible for all aspects of origination, due diligence and documentation of Collateral Assets pursuant to policies and procedures specific to each Lending Platform. The Lending Platforms are also responsible for servicing and collection of Collateral Assets. The Master Fund has contracted with First Associates, LLC to act as back-up servicer for selected Lending Platforms in the event that grounds exist to terminate the Lending Platform as servicer. Lending Platforms typically retain any origination fees, and receive a percentage of any interest revenue or other fee revenue generated from Collateral Assets as compensation for their services as originator and servicer of the Collateral Assets.

The Lending Platforms originate the Collateral Assets through all forms of marketing, including personal or business relationships, and all forms of mass media advertising such as internet search engines, print media, television and radio ads, and direct mail.

Portfolio Construction

Direct Lending allocates the Master Fund’s capital among such Lending Platforms that, in its view, offer attractive investment opportunities with acceptable levels of risk. In determining the relative allocations of capital among the Lending Platforms, Direct Lending considers the risk and return characteristics of each Lending Platform, including its historical rate of return relative to benchmarks and peers, the loan loss rate and the recovery rate of defaulted Collateral Assets, the historical volatility of returns, the geographic and industry diversification as compared to other Lending Platforms, and other factors. In addition, Direct Lending considers how each prospective Lending Platform’s performance is expected to correlate, or relate to, that of the other Lending Platforms with which the Master Fund has relationships. Direct Lending will use a variety of statistical tools in conducting this analysis, but since these tools rely heavily on past investment results, there can be no assurance that the conclusions reached based on these tools will prove correct. Direct Lending’s judgment will be the final determinant of which Lending Platforms are selected and utilized, and

in what proportion the Master Fund's capital is allocated to each. It is expected that allocations will vary significantly over time as returns for different Lending Platforms will vary.

The identity and number of Lending Platforms can and will change materially over time. The Master Fund may withdraw from or invest with different Lending Platforms without prior notice or the consent of the Investors. The determination of whether to reduce exposure to a Lending Platform will be made by Direct Lending from time to time according to a variety of factors including, but not limited to, the performance of the Lending Platform relative to benchmarks, peers or expectations, the adherence of the Lending Platform to its stated lending guidelines, the responsiveness of the Lending Platform to the inquiries and requests for information by the Direct Lending, unexpected changes in the size and composition of the Lending Platform's organization, changes in Direct Lending's perception of the Lending Platform's character and ethics, the emergence of superior investment opportunities in the opinion of the Direct Lending, and other considerations.

Risk Management and Monitoring

Direct Lending seeks to monitor the risks of individual Lending Platforms and of the Master Fund's portfolio in the aggregate. The primary goal of this process with respect to individual Lending Platforms is to ensure that they are performing as expected, and are adhering to their stated lending guidelines. In so doing Direct Lending hopes to gain early insight into factors that might call for an increase or decrease in the allocation among such Lending Platforms. In this process, Direct Lending employs various software tools and analytical procedures, as well as periodic telephone conversations and meetings with the Lending Platforms. In addition, Direct Lending may acquire information that is useful in this process through reading industry and financial periodicals, attending conferences, and speaking with and meeting other individuals involved in the alternative investment field. With respect to the monitoring of the portfolio as a whole, Direct Lending seeks to monitor, to the best of its ability, the Master Fund's aggregate exposure to various alternative investment strategies and to various systematic risks. There can be no assurance, despite the best efforts of Direct Lending, that these risks can be precisely or accurately gauged, since the underlying Lending Platforms may have differing methods of estimating and communicating this exposure information to Direct Lending.

Direct Lending reviews and monitors the operation and performance of each Lending Platform as frequently as it believes is appropriate in light of the strategy followed and prevailing market conditions. Direct Lending solicits such information from each Lending Platform and from other sources that Direct Lending deems necessary to properly assess the performance, and accordingly the relative success or failure of a Lending Platform.

B. MATERIAL RISKS OF METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Alternative investment products often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. Because risks are

inherent in all the investments in which the Master Fund engages, no assurances can be given that the Master Fund's investment objective will be realized.

There can be no assurance that the Master Fund will achieve its investment objective or avoid substantial losses. An Investor could lose all or a substantial amount of his or her investment. Notwithstanding the method of analysis or investment strategy employed by Direct Lending, the assets of the Master Fund are subject to risk of devaluation or loss. An Investor should not make an investment in the Funds with the expectation of generating capital gains or sheltering income.

Direct Lending believes that substantial returns can be achieved by investing in the Funds; however, such investment involves a high degree of risk. **Direct Lending urges Investors to review carefully the risk factors set forth in the Memoranda.** The Memoranda contain important information concerning risk factors and other material aspects of the Funds and must be read carefully before any Investor decides to invest in the Funds. The risk factors set forth in the Memoranda are those deemed by Direct Lending to be the most significant.

In addition to the risk factors listed in the Memorandum, a prospective Investor should carefully consider the following risks prior to making an investment in the Funds:

- The Funds' success depends upon Direct Lending's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades may also be detrimental to the Funds' profitability.
- Direct Lending is dependent on the services of Mr. Brendan Ross and there can be no assurance that Direct Lending will be able to retain Mr. Ross, whose credentials are described in Direct Lending's Supplement Brochure (Part 2B of Form ADV). The departure or incapacity of Mr. Ross could have a material adverse effect on Direct Lending's management of the investment operations of the Funds.
- The Funds' investments are concentrated in private debt investments. The Funds may be subject to more risk than would be the case in a diversified securities portfolio.
- The Collateral Assets are not obligations of the applicable Lending Platform. None of the Collateral Assets are guaranteed or insured by any governmental agency or instrumentality or any third party. The Funds must rely upon the applicable Lending Platform and its designated third-party collection agency to pursue collection against any borrower.
- Direct Lending's investment decisions rely on proprietary technology that may be adversely affected by technological errors and intellectual property infringement, whether by or against Direct Lending. Direct Lending's technology may also be found to infringe a third party's intellectual property.
- Direct Lending relies on receiving information directly from the Lending Platforms. Any disruption in the flow of information or inaccuracies may adversely affect Direct Lending's ability to make investment decisions.

- In the event of a Lending Platform's bankruptcy, various legal and administrative restrictions may limit or entirely prohibit Direct Lending from receiving funds under the control of the Lending Platform, which may cause the funds and their Investors to lose some or all of their investments.
- Direct Lending's ability to select attractive investments for purchase depends on its competition for such investments. Direct Lending will be competing with institutional investors, investment managers, industrial groups and merchant banks owned by larger and well-capitalized investors, and may not be able to select attractive investments.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to Investors.
- The Funds may not achieve their investment objective. A strategy may not be successful and Investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect the Funds' investments.
- Direct Lending determines the value of the investments, whether or not a public market exists for such investments. If Direct Lending's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new Investor in the Funds might receive an interest that is worth more or less than the Investor paid, and an Investor that is withdrawing assets might receive more or less than the amount to which the Investor is entitled.
- Direct Lending and its affiliates and agents generally are not responsible to any Investor for losses incurred in the Funds.
- The Master Fund's investments are illiquid and are difficult or impossible to sell and will likely never become publicly traded. In most cases, the only option is to hold the investments to maturity.
- The Funds may not be able to generate cash necessary to satisfy Investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Direct Lending to liquidate investments that can be sold too rapidly, and may reduce the size of the Funds that it cannot generate returns or reduce losses.
- The Funds may limit or suspend withdrawals or redemptions of an Investor's assets from the Funds.
- The Funds have the right to limit payment of withdrawals or redemptions to the amount of Available Cash that is available at the time, and any withdrawal or redemption that is not paid as a result of the Available Cash limitation will be deemed made for the next available withdrawal or redemption date, which will also be subject to an Available Cash limitation.

- The Funds may establish a reserve for contingencies if Direct Lending considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that Direct Lending manages grow too large, it may adversely affect performance, because it is more difficult for Direct Lending to find attractive investments as the amount of assets that it must invest increases.
- Neither the Funds nor Investors have been represented by separate counsel. The attorneys who represent Direct Lending do not represent the Funds or the Investors. Investors should hire their own counsel for legal advice and representation.
- The Funds may dissolve or expel any Investor at any time, even if such actions adversely affect one or more Investors.
- Direct Lending, an administrator or any government agency may freeze assets that any of them believes the Funds hold in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Direct Lending, the Funds or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Direct Lending must devote to regulatory compliance, to the detriment of investment activities.
- Direct Lending is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity interests in the Funds are not registered under the Securities Act of 1933, and the Funds are not registered investment companies under the Investment Company Act of 1940. Direct Lending believes that none of these registrations are required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Direct Lending and the Funds could be subject to expensive legal action and potential termination. In addition, Investors in the Funds do not have certain regulatory protection that they would have if these registrations were in place.
- Direct Lending's activities could cause adverse tax consequences to the Funds and Investors, including liability for interest and penalties.
- Direct Lending's activities may cause an entity that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.

While this information provides a synopsis of the events that may affect a Limited Partner's investment in the Funds, this listing is not exhaustive. Please read the Risk Factors section in the Memoranda carefully. **ANY INVESTOR MAY LOSE ALL OR A SUBSTANTIAL AMOUNT OF ITS INVESTMENT IN THE FUNDS.**

An investment in the Funds should form only a part of a complete investment program, and an Investor must be able to bear the loss of his or her entire investment. Prospective Investors are urged to consult with their own financial, tax and legal advisors before investing in the Funds.

C. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES

Direct Lending specializes in recommending investments in loans, either directly or indirectly through investments in non-bank lenders (typically in SPV's sponsored by the non-bank lender) that originate and hold Collateral Assets. The risks of investing in loans are described in Item 8.B above.

Item 9 Disciplinary Information

Direct Lending is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of Direct Lending's advisory business or the integrity of its management. None of Direct Lending, its principals, or its employees have been involved in any legal or disciplinary proceedings related to past or present investment advisory clients.

Item 10 Other Financial Industry Activities and Affiliations

A. BROKER DEALER REGISTRATIONS

Direct Lending is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, no member of Direct Lending management or supervised persons is a registered representative of a broker-dealer and no such person has an application pending to become a registered representative of a broker-dealer.

B. OTHER FINANCIAL INDUSTRY REGISTRATIONS

Direct Lending is not a registered futures commission merchant, commodity pool operator, or commodity trading advisor and does not have an application pending to register as such. Furthermore, none of Direct Lending principals or supervised persons is registered as, or has an application pending to register as, an associated person of any of the foregoing types of firms.

C. OTHER MATERIAL RELATIONSHIPS

As noted above, Direct Lending also serves as the general partner of the Domestic Fund, holds all of the voting management shares of the Offshore Fund, and acts as the joint Investment Manager of the Funds. Interests in the Funds held by Direct Lending and its affiliates may not be subject to the Management Fee or the Performance Fee, but will share pro rata in all other expenses and liabilities of the Funds. Please see Item 11.B for additional information.

Direct Lending does not have any other arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm,

commodity pool operator, commodity trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

D. OTHER INVESTMENT ADVISERS

Direct Lending does not recommend other investment advisers to its clients, nor does it have any material arrangements with other investment advisers that would be material to its advisory clients.

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

A. CODE OF ETHICS

Direct Lending has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, which establishes standards of conduct for Direct Lending's supervised persons. The Code of Ethics includes general requirements that Direct Lending's Covered Persons comply with their fiduciary obligations to the Funds that Direct Lending manages and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires Covered Persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to the Direct Lending's Chief Compliance Officer (the "CCO"), and requires the CCO to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the CCO. Each Covered Person of Direct Lending receives a copy of the Code of Ethics and any amendments to it initially upon becoming a Covered Person and annually and must acknowledge in writing having received those materials. Annually, each Covered Person must certify that he or she complied with the Code of Ethics during the preceding year. Violations of the Code of Ethics may result in the Covered Person being sanctioned up to and including termination of employment.

Clients and prospective clients may obtain a copy of Direct Lending's Code of Ethics by contacting Brendan Ross at Brendan@dirlend.com.

B. RECOMMENDATION OF INVESTMENTS WITH A MATERIAL FINANCIAL INTEREST

Direct Lending's only clients are the Funds. Direct Lending solicits potential Investors to purchase interests in the Feeder Funds, but Direct Lending does not enter into an investment advisory relationship with actual or potential Investors, and does not purport to give them advice as to the desirability of investing in the Feeder Funds. Direct Lending does not sell securities to the Funds or purchase securities from the Funds.

Direct Lending's officers own equity interests in entities that serve as Lending Platforms for the Funds. The equity interests have been acquired in private placements, privately negotiated transactions or on the open market if the Lending Platform's

shares are publicly traded. To minimize the conflict of interest presented by such ownership interests, it is the policy of Direct Lending that any officer or employee own no more than 5% of the equity securities of the Lending Platform, not have any other relationship with the Lending Platform such as director, officer, employee or independent contractor, not pay less for the interest than was paid by unrelated third parties for a similar interest at the same time, and not be a party to any agreement which might give the person control over the Lending Platform, such as a shareholder or voting agreement.

Direct Lending and its officers and affiliates own interests in the Feeder Funds. Direct Lending and its affiliates (i.e., management personnel, principal owner, and employees) may not be subject to the Management Fee or the Performance Fee, but will share pro rata in all other expenses and liabilities of the Funds.

These and other pertinent conflicts of interest are disclosed in the Memoranda.

C. PROPRIETARY /SIMULTANEOUS TRADING

Under Direct Lending's Code of Ethics, Direct Lending and its partners, officers and employees generally may not invest in Collateral Assets that are purchased from any Lending Platform with which the Funds have an ongoing business relationship. Direct Lending and its partners, officers and employees may buy or sell other types of loans or securities for their own accounts based on personal investment considerations that do not meet the Funds' investment strategies.

It is the policy of Direct Lending that supervised persons must avoid securities transactions and activities for their own accounts that might conflict with or be detrimental to the interest of a client. However, as noted in Item 11.B, supervised persons are allowed to own interests in Lending Platforms from which the Funds purchase Collateral Assets, subject to disclosure to Direct Lending and the other limitations described in Item 11.B. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, Direct Lending will collect and monitor proprietary and personal trading reports for adherence to the Firm's Code of Ethics. Direct Lending will document any transactions that present conflicts of interest.

Item 12 Brokerage Practices

A. SELECTION AND RECOMMENDATION

The Funds invest directly or indirectly in Collateral Assets, and do not generally use brokers or pay brokerage fees to purchase such Collateral Assets. However, the Funds generally allow Lending Platforms which originate Collateral Assets to retain any origination fees or points paid in connection with the origination of the Collateral Asset. Potential Investors in the Funds should review the applicable offering documents for brokerage practices that relate to the Funds.

B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS

Direct Lending does not use brokerage firms, and therefore has not entered into any arrangements with brokerage firms that generate “soft dollar” benefits as of the date of this Firm Brochure.

C. BROKERAGE FOR CLIENT REFERRALS

Direct Lending’s only clients are the Funds, and it does not utilize brokers to purchase investments for the Funds. Therefore, Direct Lending does not select brokerage firms for investment transactions based on the brokerage firm’s ability or success in referring potential Investors to the Funds.

D. DIRECTED BROKERAGE

Direct Lending’s only clients are the Funds, and it does not utilize brokers to purchase investments for the Funds. Therefore, Direct Lending does not require that the Funds purchase investments through brokerage firms designated by Direct Lending.

E. ORDER AGGREGATION

Direct Lending does not aggregate orders among multiple clients. Direct Lending may, in the future, have additional clients. At that time, Direct Lending will review its order aggregation policy for the purpose of allocating orders in a fair and equitable manner among all client accounts.

Item 13 Review of Accounts

A. PERIODIC REVIEWS

Direct Lending’s Investment Committee reviews the Funds’ investment program, including current holdings, on a continual basis. The Investment Committee reviews the Funds’ investment program to analyze rates of return, allocation of assets, and to verify that the investment portfolio is consistent with their investment objectives. The Investment Committee consists of Brendan Ross, the Chief Executive Officer of Direct Lending, Frank Turner, Chief Investment Officer, and Bryce Mason, Executive Vice President of Research.

B. INTERMITTENT REVIEW FACTORS

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in the Funds’ objectives or strategies. Direct Lending typically receives a comprehensive monthly report from each Lending Platform with which it does business, and reviews may be triggered by information contained in such reports.

C. CLIENT REPORTS

The Funds’ books of account are maintained in accordance with GAAP, and are audited. Investors will receive a copy of the audit report each year. All Investors will also receive the information necessary to prepare federal and state income tax returns

following the conclusion of each fiscal year or as soon thereafter as is reasonably practical.

Investors will also receive unaudited performance reports and such other information as Direct Lending determines on a monthly basis. With regard to reports provided by the Funds, Direct Lending is not required to provide information about specific investment transactions of the Funds. For Investors that have agreed to receive communications from Direct Lending electronically, the Direct Lending reserves the right to make such quarterly reports and annual Schedule K-1s available solely in electronic form on the website of Direct Lending or the administrator, or to send such information via e-mail.

Direct Lending makes certain additional financial and investment information about the Funds available to Investors through an investor portal, which is accessible through Direct Lending's website to Investors who agree to Direct Lending's end user license agreement. The investor portal includes past audited financials, ADV Forms, portfolio statistics, past Investor presentations and letters, and other documents responsive to questions frequently asked by current and prospective Investors in due diligence. Finally, Direct Lending's Fund administrator, Opus Fund Services, makes financial and tax information available to Investors through its investor portal.

Item 14 Client Referrals and Other Compensation

A. ECONOMIC BENEFITS FROM OTHERS

Direct Lending and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients.

B. COMPENSATION TO UNAFFILIATED THIRD PARTIES

Direct Lending does not pay a sales commission or a load to third parties in connection with the offering of the interests in the Funds, but reserves the right to do so in the future. Direct Lending has entered into agreements to share a percentage of its Management Fee or Performance Fee with broker-dealers who introduce Investors to the Funds. In such cases, this practice is disclosed in writing to the Investor. Direct Lending has also entered into formal and informal agreements with various individuals and entities pursuant to which such persons provide consulting, advisory or other professional services to Direct Lending on a variety of matters relating to the business of such entities. Compensation under these agreements is not fixed and in some cases is tied to certain revenues earned by Direct Lending.

Direct Lending does not engage third parties to solicit clients for Direct Lending, and therefore is not subject to requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15 Custody

Under certain rules applicable to Direct Lending under the Advisers Act, Direct Lending is deemed to maintain custody of the Funds' assets because it serves as general partner/investment manager to the Funds. In accordance with such rules, custody of the Funds' assets is maintained with a qualified custodian (as defined under such rules) and the Funds are audited on an annual basis. The audited financial statements of the Funds are distributed within 120 days following the end of each of the Funds' fiscal years.

Item 16 Investment Discretion

Direct Lending has discretionary authority to manage investments on behalf of its Fund clients. Such discretion is exercised in a manner consistent with stated investment objectives for the Funds as described in the Memoranda for the Funds.

Item 17 Voting Client Securities

The investments in which the Master Fund invests typically do not have any voting rights. However, in some cases the Master Fund owns an equity interest in an SPV holding Collateral Assets that has the right to vote on certain material issues, and Direct Lending has the power to determine how the Master Fund will vote such equity securities. Direct Lending exercises any voting rights held by the Master Fund in a manner intended to maximize the Master Fund's return on investment.

Because the Master Fund does not ordinarily hold any voting securities, Direct Lending has not adopted formal proxy voting policies and procedures for voting proxies on behalf of the Master Fund.

To the extent that a conflict exists between supervised persons of Direct Lending and the Master Fund with respect to a matter requiring a vote by the Master Fund (such as if the supervised person holds an interest in the Lending Platform which sponsors the SPV (see Item 11.B)), the manner in which the Master Fund votes will be determined by the disinterested members of the Investment Committee.

Item 18 Financial Information

A. BALANCE SHEET REQUIREMENT

A balance sheet is not required to be attached because Direct Lending is not the qualified custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

B. FINANCIAL CONDITION

Direct Lending does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

C. BANKRUPTCY PETITION

Direct Lending has not been the subject of a bankruptcy petition at any time during the last 10 years.

Item 19 Requirements for State-Registered Advisers

Not Applicable.

Privacy Policy

Direct Lending does not have any clients other than the Funds. Direct Lending does not disclose nonpublic personal information about Investors in the Funds to third parties other than as described below. Direct Lending collects information about Fund Investors (such as name, address, social security number, assets and income) from its discussions with Fund Investors, from documents that Fund Investors may deliver to Direct Lending (such as subscription documents) and in the course of providing services to the Funds. In order to perform required administrative responsibilities for the Funds, Direct Lending may provide personal information about Fund Investors to its affiliates and to firms that assist Direct Lending and the Funds with their legal, accounting and tax compliance matters, such as legal counsel, fund administrators, or accountants. Direct Lending does not otherwise provide information about Fund Investors to outside firms, organizations, or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose.