

Incenter Capital Management LLC
Part 2A of Form ADV
The Brochure

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This brochure provides information about the qualifications and business practices of Incenter Capital Management LLC (“Incenter”). If you have any questions about the contents of this brochure, please contact us at 651-412-2002. 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. Incenter is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Incenter is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is Incenter's initial Form ADV Part 2A submitted with its application for registration with the SEC. If Incenter makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

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Item 4: Advisory Business

A. Description of Incenter and Principal Owners

Incenter Capital Management LLC, a Delaware limited liability company (“Incenter”), is a privately-held investment adviser founded in 2016. Incenter is majority owned, through one or more intermediate entities, by BTO Urban Holdings LLC (“BTO Urban Holdings”), and minority owned, through one or more intermediate entities, by Libman Family Holdings, LLC (“Libman Family Holdings”). BTO Urban Holdings and Libman Family Holdings, LLC maintain their interests in Incenter through a number of subsidiaries including UFG Global LLC and UFG Holdings LLC. Incenter is directly, wholly owned by Incenter Mortgage Solutions LLC.

Libman Family Holdings is held equally by Libman-Alpha Holdings, LLC, Libman-Eta Holdings LLC and Libman-Kappa Holdings LLC. Interests in BTO Urban Holdings is held by a series of limited partnership funds for which Blackstone Tactical Opportunities Fund – NQ L.P. serves as General Partner. Blackstone Tactical Opportunities Fund – NQ L.P., an alternative investment vehicle of a private fund advisory client of Blackstone Tactical Opportunities Advisors L.L.C., a registered investment adviser, is a member and greater than 25% owner of BTO Urban Holdings L.L.C., which is a member and greater than 25% owner of UFG Global LLC, a direct owner of the registrant. Information regarding Blackstone Tactical Opportunities Advisors L.L.C. is available in its Form ADV filed with the Commission.

B. Description of Advisory Services

Incenter will provide investment supervisory services on a discretionary basis to a pooled investment vehicle (the “Client”) that invests in residential mortgage loans, agency mortgage servicing rights (“MSRs”) and other mortgage related assets under a sub-advisory agreement which is currently being negotiated with the Client (the “Sub-Advisory Agreement”).

Services to be provided under the Sub-Advisory Agreement may include:

- Portfolio management;
- Product development;
- Transaction management;
- Hedging;
- Servicing oversight;
- Contract finance;
- Data analysis; and
- The surveillance of mortgage loans and loan servicers, including the administration, management, and disposition of real property.

Assets purchased and managed by Incenter are based on standards set by the Client that allow Incenter to, among other things, (i) design new target assets; (ii) manage the mortgage loans from origination; (iii) enforce underwriting standards; (iv) oversee servicing activities; (v) monitor origination quality and (vi) attempt to ensure capital market execution.

Under the Sub-Advisory Agreement, Incenter's primary duties include managing the Client's investment program, which is principally designed to acquire and manage proprietary, new issue non-agency and opportunistic conforming residential mortgage assets, including:

- Jumbo prime and expanded credit loans to non-traditional borrowers;
- Jumbo reverse loans to high-income borrowers seeking retirement security;
- Second lien loans to credit-worthy borrowers with significant accumulated home equity; and
- Opportunistic agency MSR to unlock value and manage prepayment risk.

Incenter may provide advisory services to additional clients in the future, including separately managed accounts and pooled investment vehicles. The Client and any future clients are referred to herein as "Clients".

C. Tailoring Advisory Services to Individual Needs

Incenter tailors its advisory services to each Client in conjunction with the investment guidelines identified in the applicable advisory agreement or as set forth in offering documents of any private funds engaging Incenter to provide advisory services.

D. Wrap Fee Programs

Incenter does not participate in wrap fee programs.

E. Assets Under Management

At the time of Incenter's registration, it had a reasonable expectation that within 120 days of registration Incenter will advise the necessary regulatory assets under management to be eligible for SEC registration. Incenter does not expect to manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Fees

Pursuant to the Sub-Advisory Agreement, Incenter's advisory fee will equal to 20% of the "base management fee" earned by the Client's primary adviser under a separate management agreement between the Client and the primary adviser (the "Management Agreement"). The "base management fee" earned by the primary adviser is based on a percentage of the Advisor's base management fee.

In addition to the advisory fee, Incenter will also be entitled to receive incentive compensation. Incenter is entitled to a percentage of the incentive fee earned by the Client's primary adviser under the Management Agreement. The percentage of the incentive fee to which Incenter is entitled to varies depending on the Advisor's incentive fee for the applicable measurement period.

The Client negotiated Incenter's fees in conjunction with the execution of the Sub-Advisory Agreement. Incenter expects to negotiate fees on a case-by-case basis with future Clients.

Advisory fees may differ from Client to Client should Incenter acquire more Clients

B. Fee Methodology

Incenter shall invoice the Client quarterly in arrears for advisory services. Fees shall be prorated for partial periods.

C. Fees and Expenses Generally Applicable to Client Accounts

As more particularly set forth or described in the Sub-Advisory Agreement, the Client may bear some or all of the following costs and expenses:

- (i) all costs and expenses associated with the formation and capital raising activities of the Client;
- (ii) all costs and expenses in connection with the acquisition, origination, disposition, securitization, development, modification, protection, maintenance, financing, refinancing, hedging, rating, administration and ownership of investments (including costs and expenses incurred for transactions that are not subsequently completed), including, without limitation, costs and expenses incurred in contracting with third parties, including affiliates of Incenter, to provide such services, such as legal fees, accounting fees, rating agency fees, consulting fees, due diligence fees, loan servicing fees, fulfillment services, trustee fees, appraisal fees, insurance premiums, commitment fees, brokerage fees, guaranty fees, ad valorem taxes, costs of diligence, foreclosure, maintenance, repair and improvement of property and premiums for insurance on property owned or leased by the Client; provided, if such services are provided by an affiliate of the Incenter, such costs and expenses shall be in amounts which are no greater than those which would be payable to outside professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arm's-length basis;
- (iii) all costs and expenses in connection with legal, accounting, due diligence (including due diligence, legal and other costs for assets that are not subsequently acquired), asset management, financing, securitization, property management, brokerage, leasing and other services that outside professionals or outside consultants perform or otherwise would perform on the Client's behalf and that are performed by Incenter or an affiliate thereof; provided, if such services are provided by an affiliate of Incenter, such costs and expenses shall be in amounts which are no greater than those which would be payable to outside professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arm's-length basis;
- (iv) costs and expenses incurred in connection with the issuance and transaction costs incident to the acquisition, disposition, financing, hedging, rating and securitization of investments;
- (v) costs of legal, tax, accounting, consulting, auditing, administrative, and other similar services rendered for the Client by providers retained by Incenter or, if provided by Incenter's or its affiliates' personnel, in amounts which are no greater than those which would be payable to outside professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arm's-length basis;
- (vi) the compensation and expenses of the Client's directors and the cost of liability insurance to indemnify the Client's directors and officers;

- (vii) costs associated with the establishment and maintenance of any of the Client's repurchase agreements, warehouse facilities, securitizations, hedging agreements and other secured and unsecured forms of borrowings (including commitment fees, accounting fees, legal fees, closing and other similar costs) or any of the Client's securities offerings;
- (viii) expenses in connection with the application for, and participation in, programs established by the U.S. government;
- (ix) expenses connected with communications to holders of the Client's securities and other bookkeeping and clerical work necessary in maintaining relations with holders of such securities and in complying with the continuous reporting and other requirements of governmental bodies or agencies, including all costs of preparing and filing required reports with the Securities and Exchange Commission, the costs payable by the Client to any transfer agent and registrar in connection with the listing and/or trading of the Client's stock on any exchange, the fees payable by the Client to any such exchange in connection with its listing, and costs of preparing, printing and mailing the Client's annual report to its stockholders and proxy materials with respect to any meeting of the Client's stockholders;
- (x) costs associated with any computer software or hardware, electronic equipment or purchased information technology services from third party vendors that is used for the Client;
- (xi) expenses incurred by managers, officers, employees, personnel and agents of Incenter for travel or entertainment on the Client's behalf and other out-of-pocket expenses incurred by managers, officers, employees, personnel and agents of Incenter in connection with the purchase, financing, securitization, refinancing, hedging, sale or other disposition of an investment or establishment and maintenance of any repurchase agreements, warehouse facilities, securitization, hedging agreements, borrowings under programs established by the U.S. government, other secured and unsecured forms of borrowings or any of the Client's securities offerings;
- (xii) all travel and related expenses of trustees, directors, officers and employees of the Client and Incenter, incurred in connection with attending meetings of the Client's Investment Committee or holders of securities (including securities issued in connection with securitizations) of the Client or performing other business activities that relate to the Client, including, without limitations, travel and expenses incurred in connection with the purchase, consideration for purchase, financing, securitization, hedging, refinancing, sale or other disposition of any investment or potential investment of the Client;
- (xiii) all costs and expenses related to the design and maintenance of the Client's website or sites and associated with any computer software, hardware, electronic equipment or purchased information technology services from third party vendors that is used primarily for the Client;
- (xiv) costs and expenses incurred with respect to market information systems and publications, research publications and materials, including financial analytics and market data, and settlement, clearing and custodial fees and expenses;

- (xv) all expenses of organizing, modifying or dissolving the Client and costs preparatory to entering into a business or activity, or of winding up or disposing of a business activity of the Client, if any;
- (xvi) all expenses relating to payments of dividends or interest or distributions in cash or any other form made or caused to be made by the Client's Investment Committee to or on account of holders of the securities of the Client, including, without limitation, in connection with any dividend reinvestment plan;
- (xvii) compensation and expenses of the Client's custodian and transfer agent, if any;
- (xviii) the costs of maintaining compliance with all federal, state and local rules and regulations or any other regulatory agency;
- (xix) all taxes and license fees;
- (xx) all insurance costs incurred in connection with the operation of the Client's business, except for the costs attributable to the insurance that Incenter elects to carry for itself and its personnel; provided, however, that the Client will be responsible for its pro rata portion of the premiums related to Incenter's "errors and omissions" insurance coverage;
- (xxi) costs and expenses incurred in contracting with third parties, including affiliates of Incenter, for fulfillment services, servicing and special servicing of the investments of the Client;
- (xxii) all other costs and expenses relating to the business of the Client and investment operations, including the costs and expenses of acquiring, owning, protecting, maintaining, financing, securitizing, developing and disposing of investments, including appraisal, valuation, reporting, audit and legal fees;
- (xxiii) expenses relating to any office(s) or office facilities, including disaster backup recovery sites and facilities, maintained for the Client separate from the office or offices of Incenter;
- (xxiv) expenses connected with the payments of interest, dividends or distributions in cash or any other form authorized or caused to be made by the Client's Investment Committee to or on account of holders of the Client's securities, including in connection with any dividend reinvestment plan;
- (xxv) any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise) against the Client, or against any trustee, director or officer of the Client in his capacity as such for which the Client is required to indemnify such trustee, director or officer by any court or governmental agency;
- (xxvi) any costs and expenses (including those described above) incurred by a sub-adviser engaged by Incenter in connection with the provision of sub-advisory services in respect of Incenter; provided, however, that the reimbursement of any such costs and expenses shall be subject to the same limitations set forth in the Sub-Advisory Agreement on the reimbursement of the costs and expenses of Incenter; and

(xxvii) all other expenses actually incurred by Incenter or its affiliates or their respective managers, officers, trustees, directors, employees, members, representatives or agents, or any affiliates thereof, that are reasonably necessary for the performance by Incenter of its duties and functions under the Sub-Advisory Agreement.

(xxviii) expenses for the Client's allocable share of the compensation paid by Incenter to its personnel serving as the Client's personnel employed by Incenter or its affiliates who provide tax, accounting, finance, consulting, auditing, administrative, information technology, valuation, computer programming and development, and mid and back-office resources and services to the Client; and

(xxix) expenses related to the Client's *pro rata* portion of (i) rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of Incenter and its affiliates required for the operations of the Client and the subsidiaries thereof and (ii) premiums related to the "errors and omissions" insurance coverage referred to in the sub-advisory agreement.

Incenter may, at its option, elect not to seek reimbursement for certain expenses during a given quarterly period, which determination shall not be deemed to construe a waiver of reimbursement for similar expenses in future periods.

Because certain expenses may be shared by more than one Client, Incenter has adopted policies and procedures for the allocation of such fees and expenses among the Clients, although the policies and procedures may change from time to time and may differ materially from those described below. Incenter will seek to allocate non-investment-related expenses shared by more than one Client to such Clients in a manner that is fair and equitable taking into consideration all relevant factors, including, without limitation, the relevant benefit to each such Client derived from such expenses.

With respect to expenses attributable to one or more of the Clients, Incenter seeks to allocate such expenses fairly, taking into consideration (i) the extent of the Clients' and/or Incenter's utilization of the services associated with the expense, (ii) the relative benefit to each Client and/or Incenter derived from the expense and (iii) the association of the expense with a legal, contractual or other obligation of one or more of the Clients and/or advisory services.

Item 6: Incentive Allocations and Side-by-Side Management

Incenter may receive performance-based compensation in the form of an incentive fee with respect to the Client. Such carried interest is based on investment profits and, as a result, may create an incentive for Incenter to make investments on behalf of the Client that are riskier or more speculative than would be the case in the absence of such incentive fee. In the event Incenter has multiple Clients, performance-based fee/allocation arrangements may create an incentive to favor Clients that have greater performance fee/allocation arrangements over other Clients that have lesser or no performance fee/allocation arrangements.

Incenter seeks to address these conflicts through careful vetting of investment opportunities by Incenter's investment professionals, and full disclosure of investments to the Client by way of periodic reports.

Item 7: Types of Clients

The Adviser expects to or may, in the future, provide investment management services and advice to private funds, special purpose investment vehicles and managed accounts. Underlying investors in private funds may include high net-worth individuals, financial institutions, corporations, sovereign wealth funds, endowment funds, charitable organizations, public and private pension funds and other investment funds. Generally, each underlying investor in a client must be an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended, and a “qualified purchaser” as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). Certain employees of Incenter who qualify as “knowledgeable employees” under Rule 3c-5 of the 1940 Act may be permitted to invest directly or indirectly in private funds advised by Incenter. The offering and/or organizational documents of each private fund may set minimum amounts for investment by prospective investors in such private funds.

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

The general investment strategy and methods of analysis that Incenter employs in managing accounts, as well as the primary associated risks, are described below.

Clients should note that it is not possible to identify all of the risks associated with investing and that the particular risks applicable to a Client account will depend on the nature of the account, its investment strategy and the characteristics of securities or assets held. Each Client’s investment strategy is predicated upon credit analysis and a research-based approach to financing and asset management designed to reduce risk while maximizing returns to investors. Incenter will seek to structure investments with downside protection and risk management through actively managing leverage ratios prescribed by its Clients’ investment guidelines, and strict, research-based underwriting criteria.

Incenter currently identifies opportunities to invest primarily in residential mortgage loan related assets, with an emphasis on new issue non-agency and opportunistic conforming residential mortgage assets, including mortgage loans and mortgage servicing rights. Incenter also seeks to manage each account so that risks are appropriate to the mandate prescribed by each of its Clients. However, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved.

Because Incenter limits its advice to particular types of investments, Client accounts are not diversified and are not intended as a complete investment program.

Clients, as applicable, are responsible for appropriately diversifying assets to guard against the risk of loss. Incenter does not offer any products or services that guarantee rates of return on investments for any period to any Client. Clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers or products and should be prepared to bear the risk of loss.

Methods of Analysis and Investment Strategies

Incenter uses a range of methods to identify, analyze and assess potential and existing investment opportunities. This may include arrangements with affiliated or unaffiliated advisors for purposes of obtaining analyses that would assist Incenter in its investment decision-making recommendation process. More specific descriptions are provided below regarding the investment strategies and investment processes. As a general matter, analytical methods used by Incenter can include gain/loss forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analyses, charting, and fundamental, technical and cyclical analysis.

Incenter's analysis involves a variety of factors, such as cash yield, risk-adjusted returns, macro-economic environment, market concentration limits, credit concentration limits, liquidity, costs and availability of financing and hedging activities. Incenter seeks investments that it believes will generate both current income and capital appreciation.

However, as noted below, not every investment will perform as anticipated and investments may lose value, fail to produce current income and/or produce insufficient gains or income to offset expenses or other losses. Investing in securities and other instruments of the type and kind selected by Incenter involves risk of loss that Clients and investors should be prepared to bear.

Market Conditions and Financial Market Fluctuations

A lack of liquidity in the capital markets may make it significantly more difficult for investment advisers like Incenter to obtain favorable financing for investments, and the financing that is available may be on much less favorable terms than had been prevailing in the past. General fluctuations in the market prices of securities may affect the value of the investments held. Instability in the capital and housing markets may also increase the risks inherent in mortgage loan investments.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. Some competitors may have a lower cost of funds and access to financing sources that are not available to Incenter. There can be no assurance that Incenter will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Risks Associated with Residential Mortgage Assets

Clients will invest, directly or indirectly, in the residential mortgage market, including in mortgage loans that do not conform to the underwriting standards of Federal National Mortgage Association ("Fannie") or Federal Home Loan Mortgage Corporation ("Freddie"), which are called "non-conforming mortgage loans," and in MSR's relating to mortgage loans that do conform to the underwriting standards of Fannie or Freddie (the "GSEs" or "Agencies"), which are called "Agency MSR's."

Residential mortgage assets may not appreciate in value and, in fact, may decline in value. Additionally, residential mortgage assets may default on interest and/or principal payments. Accordingly, a Client may not realize gains or income from an investment or gains and income

realized may be insufficient to offset any expenses or other losses experienced in the Client's account.

Risks Associated with Residential Mortgage Loans

Credit losses on residential mortgage loans can occur for many reasons, including poor origination practices (leading to losses from fraud, faulty appraisals, documentation errors, poor underwriting and legal errors); poor servicing practices; weak economic conditions; declines in the values of homes; special hazards; earthquakes and other natural events; over-leveraging by the borrower; changes in legal protections for lenders; reduction in personal incomes; job loss; and personal events such as divorce or health problems. Despite reasonable efforts to manage credit risk in both recommending mortgage loans and related assets, there are many aspects of credit risk that cannot be controlled, and there can be no assurance that quality control and loss mitigation practices will be successful in limiting delinquencies, defaults and losses.

Credit risks associated with non-conforming mortgage loans may be greater than those associated with conventional mortgage loans that conform to Fannie Mae and Freddie Mac underwriting standards. The principal difference between non-conforming mortgage loans and conforming mortgage loans include the applicable loan-to-value ratios, the credit and income histories of the mortgagors, the documentation required for approval of the mortgagors, the types of properties securing the mortgage loans, loan sizes and the mortgagors' occupancy status with respect to the mortgaged property. As a result of these and other factors, the interest rates charged on non-conforming mortgage loans are often higher than those charged for conforming mortgage loans. The combination of different underwriting criteria and higher rates of interest may lead to higher delinquency rates and/or credit losses for non-conforming as compared to conforming mortgage loans and any failure by Incenter to adequately address these issues could adversely affect the value of its Clients' investments.

The value of residential mortgage assets will be influenced by a number of factors including underwriting standards, counterparty exposure, delinquencies and defaults, and hedging and leverage strategies. The rate of delinquencies and defaults experienced on the residential mortgage assets, in turn, are influenced by, among other things, (i) general economic conditions and those in the geographic area where the related mortgaged property is located, (ii) the terms and structure of the residential mortgage loans, (iii) the borrowers' "equity" in mortgaged properties, (iv) the financial circumstances of borrowers and (v) any specific limits to legal and financial recourse upon a default under the terms of the residential mortgage loans.

Risks Associated with MSRs

MSRs arise from contractual agreements between the Clients and the investors in mortgage securities and mortgage loans (such as GSEs). Excess MSRs are interests in mortgage servicing rights, representing a portion of the fee paid to mortgage servicers. The fee that a mortgage servicer is entitled to receive for servicing a pool of mortgages generally exceeds the reasonable compensation that would be charged in an arm's-length transaction. The Clients may acquire MSRs from the sale of mortgage loans where the Clients assume the obligation to service the loan in connection with the sale transaction or the Clients may purchase MSRs and excess

MSRs. Any MSRs and excess MSRs that the Clients acquire will be recorded at fair value on the Clients' balance sheets. The determination of fair value of MSRs and excess MSRs will require Incenter to make numerous estimates and assumptions. Such estimates and assumption include, without limitation, estimates of future cash flows associated with MSRs based upon assumptions involving interest rates as well as the prepayment rates, delinquencies and foreclosure rates of the underlying serviced mortgage loans.

The ultimate realization of the value of MSRs and excess MSRs may be materially different than the fair values of such assets as may be reflected in the Clients' balance sheets as of any particular date. The use of different estimates or assumptions in connection with the valuation of these assets could produce materially different fair values of such assets, which could have a material adverse effect on the Clients' business, financial condition, results of operations and cash flows. Accordingly, there may be material uncertainty about the fair value of any MSRs or excess MSRs the Clients acquire.

To the extent the Clients invest in MSRs, deterioration of the housing market could increase delinquencies and defaults on the mortgage loans underlying the MSRs the Clients acquire and increase the cost of servicing mortgage loans, which, in turn, could adversely affect the Clients' results of operations as revenues otherwise derived from the MSRs that would produce income may be diverted to pay servicers additional servicing fees or reimburse servicers for additional expenses from servicing. In addition, as default rates are a component of pricing MSRs, the market value of the Clients' MSRs may decrease, thereby decreasing the value the Clients could obtain if the Clients sold the MSRs.

Changes in interest rates are a key driver of the performance of MSRs and excess MSRs since the values of such assets are highly sensitive to changes in interest rates. Incenter may pursue various hedging strategies to seek to reduce the Clients' exposure to adverse changes in interest rates. Hedging activity will vary in scope based on the level and volatility of interest rates, the type of assets held and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect the Clients. To the extent Incenter does not utilize derivatives to hedge against changes in fair value of MSRs or excess MSRs, the Clients' balance sheets, financial condition and results of operations would be susceptible to volatility due to changes in the fair value of, or cash flows from, MSRs and excess MSRs as interest rates change.

Prepayment speeds significantly affect MSRs and excess MSRs. Incenter's expectation of prepayment speeds is a significant assumption underlying those cash flow projections. If prepayment speeds are significantly greater than expected, the fair value of the MSRs and excess MSRs could decline and the Clients may be required to record a non-cash charge, which would have a negative impact on the Clients' financial results. Furthermore, a significant increase in prepayment speeds could materially reduce the ultimate cash flows the Clients receive from MSRs and excess MSRs, and the Clients could ultimately receive substantially less than what the Clients paid for such assets.

Delinquency rates have a significant impact on the valuation of any MSRs and excess MSRs. An increase in delinquencies generally results in lower revenue because the Clients may only collect servicing fees for performing loans (such fees collected from a GSEs or mortgage

owners). Incenter's expectation of delinquencies is a significant assumption underlying those cash flow projections. When the estimated fair value of MSR and excess MSR is reduced, the Clients could suffer a loss, which could have a negative impact on the Clients' financial results.

MSRs, excess MSRs and the related servicing activities are subject to numerous U.S. federal, state and local laws and regulations and may be subject to various judicial and administrative decisions imposing various requirements and restrictions on a Client's business. A Client's failure to comply, or the failure of the servicer to comply, with applicable laws, rules or regulations, could expose such Client to fines, penalties or potential litigation liabilities, including costs, settlements and judgments, any of which could have a material adverse effect on such Client's business, financial condition and results of operations.

In the event that certain Clients and/or their affiliates do not obtain approval to own MSRs for GSEs (or such approval is delayed), the opportunities to purchase MSRs will be limited and such Clients may not be able to achieve their investment objective. Such Clients and/or their affiliates are also subject to licensing requirements as owners of MSRs. If the number of states that require the licensing of owners of MSRs increases, or the states that require licensing impose additional obligations on the owners of MSRs, such Clients' costs could increase. Any of these outcomes may adversely affect such Clients' operations or financial conditions and could result in loss to such Clients.

Illiquid and Long-Term Investments

Residential mortgage assets may be illiquid, and there can be no assurance that Incenter will be able to realize on such investments in a timely manner. Therefore, investment through Incenter may involve a long-term commitment with no certainty of return. Although investments may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment may occur only upon the partial or complete disposition or refinancing of such investment.

Underwriting Standards

Incenter may acquire residential mortgage assets from various unaffiliated savings institutions, finance companies and other sellers. In selecting residential mortgage assets, Incenter expects to obtain information as to the underwriting standards that were applied in originating the mortgage loans, but may not be able to do so in whole or in part. Certain of the residential mortgage assets may not have been underwritten to the standards or requirements expected for the product type, even if the seller has represented that such residential mortgage assets have been properly underwritten, in which case the risk of loss may be increased. In addition, to the extent that the failure to comply with underwriting standards relates to an Agency MSR, the Client may be subject to the enforcement of rights and remedies by Fannie or Freddie, such as repurchasing the related residential mortgage loan or providing an indemnity payment.

Counterparty Exposure

When a Client purchases loans, its counterparty may make representations and warranties about such loans to the Client. The Client's residential mortgage loan purchase agreements may

entitle the Client to seek indemnity or demand repurchase or substitution of the loans in the event a counterparty breaches a representation or warranty given to the Client. However, there is no assurance that the Client's mortgage loan purchase agreements will contain appropriate representations and warranties, that it will be able to enforce its contractual right to repurchase or substitution, or that a counterparty will remain solvent or otherwise be able to honor its obligations under its mortgage loan purchase agreements. The Client's inability to obtain indemnity or require repurchase of a significant number of loans could harm the Client's business, financial condition, liquidity, results of operations and ability to make distributions to its investors. Further, as the market for mortgage loan purchase agreements becomes more competitive, the representations and warranties about such loans to the Clients may become more limited as the counterparties have increased leverage during the negotiations for purchase of such loans.

General Economic Conditions

The residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance of the Clients. A decline or an extended flattening of real estate values may result in increases in delinquencies and losses on residential mortgage loans, particularly with respect to any residential mortgage loan where the aggregate loan amount (including any subordinate liens) is close to or greater than the related property value.

Risks Associated with Government Action and Intervention

Real estate values are important to the value of residential mortgage assets. Over the last several years, government intervention has been important to support real estate markets, the overall U.S. economy, capital markets, and mortgage markets. Mortgage markets have also received substantial U.S. government support. In particular, the government's support of mortgage markets through its support of Fannie and Freddie expanded in late 2008, as the U.S. Treasury Department chose to backstop these government-sponsored enterprises. The governmental support for these entities has contributed to Fannie Mae's and Freddie Mac's continued dominance of residential mortgage finance and securitization activity, inhibiting the return of some private mortgage market activities such as securitization. It is expected that this support will change (and eventually decrease), though Incenter remains uncertain about the timing, extent and specific implications of such support. A change in this support, whether increased or decreased, can cause dislocation and losses to residential mortgage assets.

Furthermore, the credit crisis and subsequent financial turmoil prompted the federal government to put into place new statutory and regulatory frameworks and policies for reforming the U.S. financial system. These financial reforms are aimed at, among other things, promoting robust supervision and regulation of financial firms, establishing comprehensive supervision of financial markets, protecting consumers and investors from financial abuse, providing the U.S. government with additional tools to manage financial crises, and raising international regulatory standards and improving international cooperation, but their scope could be expanded beyond what has been currently enacted, implemented, and proposed. Implementation of financial reforms, whether through law, regulations, or policy, including changes to the manner in which financial

institutions, financial products, and financial markets operate and are regulated and any related changes in the accounting standards that govern them, could adversely affect residential mortgage assets by increasing the cost of originating or acquiring such assets, decreasing the ability to use hedging or leverage, and decrease liquidity in the marketplace.

Geographic Concentration of Mortgage Loans

The mortgage loans in which Incenter invests may be concentrated in a specific state or states. Weak economic conditions in these locations or any other location (which may or may not affect real property values), may affect the ability of borrowers to repay their mortgage loans on time. Properties in certain jurisdictions may be more susceptible than homes located in other parts of the country to certain types of uninsurable hazards, such as earthquakes, floods, hurricanes, wildfires, mudslides and other natural disasters, which may result in reduced value of such homes as collateral of prepayments of mortgage loans. In addition, any increase in the market value of properties located in a particular jurisdiction would reduce the loan-to-value ratios of the mortgage loans and could, therefore, make alternative sources of financing available to the borrowers at lower interest rates, which could result in an increased rate of prepayment of the mortgage loans.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur that may adversely affect the value of investments or the ability to fulfill a mandate. There is a material risk that regulatory agencies may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the real estate industry, or other changes that could adversely affect Incenter.

Litigation

In the ordinary course of business, Incenter or a Client may become a party to litigation, disputes and other potential claims. There are no known current or pending material litigation, disputes and other potential claims.

Interest Rate Fluctuations

General interest rate fluctuations may have a substantial negative impact on investments and investment opportunities and accordingly may have a material adverse effect on investment objectives and the rate of return on invested capital. Valuations of residential loans and related assets are based on numerous factors, including specific loan characteristics. Residential loans and related assets are also susceptible to fluctuations in interest rates.

Real Estate Risks Generally

Many of the risks of residential mortgage loans relate to the risks of investing directly in the real estate securing those mortgage loans. The value of residential mortgage loans may fall in periods of economic slowdown or recession, which may be accompanied by declining real estate values. Any material decline in real estate values reduces the ability of borrowers to use real estate equity

to support their borrowings and increases the loan-to-value ratios of mortgage loans previously made, thereby weakening collateral coverage and increasing the possibility of a loss in the event of default. In addition, delinquencies, foreclosures and losses generally increase during economic slowdowns and recessions.

Valuations of Investments

Incenter values securities at their market price if market quotations are readily available. Where there is no readily available market quotation, securities are valued based on observable market inputs, including analyses of similar securities and recent comparable transactions. To the extent there are no observable market inputs, Incenter will value securities based on significant management input. Incenter may alter its valuation based on a number of factors, including market events, unreliability of pricing sources, or macro-economic events.

Default and foreclosure

In the event of a borrower's default on a mortgage loan, the ultimate extent of the loss, if any, may only be determined after a foreclosure of the mortgage encumbering the property and, if the lender takes title to the property, upon liquidation of the property. Factors such as the title to the property or its physical condition (including environmental considerations) may make a third party unwilling to purchase the property at a foreclosure sale or for a price sufficient to satisfy the obligations with respect to the related mortgage loan. Foreclosure laws may protract the foreclosure process, thereby potentially increasing the loss severity experienced on mortgage loans subject to foreclosure proceedings. In addition, the condition of a property may deteriorate during the pendency of foreclosure proceedings.

Environmental liabilities

Some properties securing mortgage loans may be contaminated by hazardous substances. As a result, the value of the real property may be diminished. In the event that there is a forced foreclosure on a defaulted mortgage loan on that property, that property may be subject to environmental liabilities regardless of whether the lien holder was responsible for the contamination. If such hazardous substances are discovered on a property, there may be a requirement to remove those substances or sources and clean up the property. Some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. In addition, to clean up actions brought by federal, state and local agencies and private parties, the presence of hazardous substances on a property may lead to claims of personal injury, property damage or other claims by private plaintiffs. The lien holder may also be liable to tenants and other users of neighboring properties. In addition, it may be difficult or impossible to sell the property prior to or following any such clean up. The presence of hazardous substances, or the failure to remediate hazardous substances properly, may adversely affect the owner's ability to sell or use real estate or to borrow outside funds using real estate as collateral.

Hedging and Leverage

Incenter employs various techniques to hedge exposures in Client portfolios. These may include swaps, forward trades, repurchase agreements and other derivatives. The use of certain derivatives and other hedging instruments may involve leverage, which introduces additional risks, as described below. Derivatives may entail investment exposures (including leverage and resulting collateral requirements) that are greater than their cost. Additionally, Incenter may employ leverage in managing accounts for purposes other than hedging.

The use of leverage or margin can result in losses that are significantly greater than would have been suffered if leverage were not employed. Incenter may cause Clients to incur significant leverage, including short-term margin borrowings or implicit leverage associated with hedging instruments. The amount of leverage outstanding at any time may be large in relation to capital. In addition, the costs of leverage (including interest on borrowings and other expenses that may be associated with borrowings) may be substantial and will impact performance. Any event that adversely affects the value of an investment is magnified to the extent that asset or such Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to such Client's investments could result in a substantial loss to such Client, which loss would be greater than if the asset or Client was not leveraged.

Risks Associated with Financing Relationships

Incenter may establish, on behalf of Clients, relationships to obtain financing, derivative intermediation and prime brokerage services that permit such Client to trade in any variety of markets or asset classes over time; however, there can be no assurance that Incenter will be able to maintain such relationships. An inability to maintain such relationships would limit a Client's trading activities could create losses, preclude such Client from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent such Client from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before Incenter establishes additional relationships could have a significant impact on a Client's business due to such Client's reliance on such counterparties.

Some of the markets in which a Client may effect its transactions are over-the-counter or inter-dealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes a Client to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing such Client to suffer a loss. In addition, in the case of a default, a Client could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Client has concentrated its transactions with a single counterparty or small group of counterparties.

Furthermore, there is a risk that any of a Client's counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of a Client's counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the Securities Investor Protection Act or the U.S. Bankruptcy Code) or elsewhere, there exists the risk that the recovery of such Client's securities and other assets from such Client's prime

brokers or broker-dealers may be delayed or may be of a value that is less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, a Client may use counterparties located in jurisdictions outside the United States. Such counterparties are subject to the laws and regulations in foreign jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Client's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on a Client and its assets.

A Client is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, a Client has a limited internal credit function which evaluates the creditworthiness of its counterparties. The ability of a Client to transact business with any one or more counterparties, the lack of complete evaluation of such counterparty's financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Client.

Risks Associated with Swaps

Clients may use swaps, including for hedging purposes. The use of interest rate, credit, currency, equity, commodity and total return swaps, "swaptions", interest rate caps and floors and collars is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Swap agreements are principal-to-principal transactions in which performance is the responsibility of the individual counterparty and not an organized exchange or clearing house. As such, Clients are exposed to the risk of counterparty default. Moreover, Incenter forecasts of market values, interest rates and currency exchange rates may be inaccurate and may result in overall performance results that are worse than the results that would have been achieved if the account did not engage in swap transactions.

Risks Associated with Forward Trades

Clients may invest in forward transactions. Forward contracts and options thereon are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or counterparty being contracted with to fulfill its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a Client has a forward contract. Although Incenter will seek to trade with reliable counterparties, failure by a counterparty to fulfill its contractual obligation could expose such Client to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these

markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with unusually wide spreads between the prices at which they were prepared to buy and those at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to a lower volume than that which Incenter would otherwise recommend, to the possible detriment of the Clients. Market illiquidity or disruption could result in significant losses to the Clients.

Risks Associated with Repurchase Agreements

A Client may enter into repurchase agreements. When a Client enters into a repurchase agreement, such Client effectively sells assets to a broker-dealer or financial institution, and agrees to repurchase such assets for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. A Client may enter into repurchase agreements to, among other things, increase its leverage, subjecting it to the risks noted above. In addition, the Client may be forced to post margin or repurchase the assets under the terms of the repurchase agreements. To the extent that the Client is unable to provide the funds for such margin or repurchase – or otherwise defaults under a repurchase agreement – the repurchase counterparty may exercise rights and remedies (such as the sale of assets) resulting in losses to the Client.

Item 9: Disciplinary Information

Incenter is not aware, after having conducted reasonable due diligence on itself and its management personnel, of any legal or disciplinary events that would be material to a Client (or prospective Client), or a Client's evaluation of Incenter's advisory business or the integrity of its management personnel.

Item 10: Other Financial Industry Activities and Affiliations

As described below, Incenter may have business arrangements with affiliates that are material to its advisory business and its clients. In some cases, these business arrangements may create a potential conflict of interest or the appearance of a conflict of interest. Incenter will review each of these arrangements to ensure that they do not adversely impact its Clients and will have in place policies and procedures to address conflicts if and as they arise.

Finance of America Mortgage LLC ("FAM") and Finance of America Reverse LLC (together with FAM, "FOA") are affiliates of Incenter and are in the business of originating and servicing forward and reverse residential mortgage loans. Incenter, in connection with its portfolio management responsibilities to its Clients, may recommend that its Clients purchase for their portfolio residential mortgage loans, mortgage servicing rights and other mortgage related assets (including securitization assets created by FAM) from FAM.

Incenter is also affiliated with, Incenter LLC ("I"), Incenter Mortgage Advisors LLC ("IMA") and ICMS LLC ("ICMS") (I, IMA, and ICMS are collectively referred to herein as the "Incenter Affiliates").

The Incenter Affiliates provide services to mortgage loan and specialty finance originators and servicers. Such services include, without limitation: (i) brokering lender placed insurance policies, (ii) loan origination fulfillment services and (iii) whole loan and mortgage servicing rights brokerage services, pipeline management advisory services, and valuation, reporting and analytics services (collectively, the “Incenter Affiliate Services”). The Incenter Affiliates may from time to time enter into agreements with Clients to provide Incenter Affiliate Services.

Neither Incenter nor any of its management persons are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

The Blackstone Group L.P. and its affiliates (the “Blackstone Affiliates”) are expected to engage Incenter to provide asset management and other services to a certain platform investment vehicle of certain funds and managed accounts sponsored by the Blackstone Affiliates (the “Platform”). While the parties will seek to enter into this engagement on market terms and processes will be put in place designed to seek to ensure that the relationship between Incenter and the Blackstone Affiliates will be on market terms, Incenter’s status as a subsidiary of BTO Urban Holdings may give rise to potential conflicts of interest. Although the terms of any management services agreement are expected to be independently reviewed by one or more unaffiliated third party advisors who will compare the terms to other similar agreements in the market to show that the terms are in line with market standards, there is no assurance that any service agreement between Incenter and the Blackstone Affiliates will not benefit one party more favorably. Incenter is expected to receive a fee for its services as well as a profits interest in the Platform’s investments (via the Platform or other related entities). To the extent Incenter recommends that the Platform purchase residential mortgage loans, mortgage servicing rights or other mortgage related assets originated and/or serviced by FAM or FAR, such purchases are expected to be reviewed by one or more unaffiliated third party advisors who will compare the terms to other similar transactions in the market and the criteria for such purchases will fall within guidelines set by the Platform. There is no assurance, however, that any such purchases will not benefit one party more favorably than the other parties to the transaction. This engagement is subject to renewal every three years which will provide periodic market testing of the terms and fees.

In addition, neither Incenter nor any of its management persons are registered or have an application pending to register as a commodity pool operator, futures commission merchant or commodities trading adviser.

Other Financial Industry Affiliations

Incenter is an affiliate of these other entities:

Broker/Dealer Entities	
Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
Investment Advisor Entities	

Bayview Asset Management, LLC	Provides investment advisory services focusing on real estate backed loans and mortgage securities
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Debt Advisors L.P.	Provides investment advisory services to private investment funds specializing in debt securities
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds

Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Senfina Advisors L.L.C.	Provides investment advisory services to private investment funds which allocate capital among unaffiliated portfolio managers and invest capital directly
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone’s private equity, real asset, credit and opportunistic alternative asset management strategies
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products

Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Large Loan Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT OPI Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Investment Management, LLC	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts

GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners International LLP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners LP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO/Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
Strategic Partners Fund Solutions Advisors, L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
Commodity Trading Advisor & Commodity Pool Operator Entities (Registered)	
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC	Provides investment advisory services to open end mutual funds
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Senfina Advisors L.L.C.	Provides investment advisory services to private investment funds which allocate capital among unaffiliated portfolio managers and invest capital directly
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Commodity Pool Operator Entities (Registered)	

Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
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Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Incenter has adopted a formal compliance code of conduct that includes a securities trading code of ethics, insider trading policies and procedures, and procedures to address “pay to play” rules and regulations. Among other things, the code of conduct requires that employees act with integrity, place the interests of Clients above their own, avoid actual and potential conflicts of interest, and comply with applicable provisions of all laws. The policies also require employees to pre-clear certain personal securities transactions, report most personal securities transactions on at least a quarterly basis, and provide Incenter with a detailed summary of certain holdings annually.

A copy of Incenter’s code of ethics compliance policy will be provided to any Client or prospective Client (or investor or prospective investor therein) upon request.

Item 12: Brokerage Practices

Incenter considers a number of factors in selecting a broker-dealer to execute transactions and in determining the reasonableness of the broker-dealer’s compensation. Incenter has a duty to obtain “best execution” for Clients’ securities transactions. In determining what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In seeking best execution, Incenter considers the full range of the broker-dealer’s services, including commission rate, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer’s compensation, Incenter need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Incenter’s practice to negotiate “execution only” commission rates; thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Incenter’s Investment Committee or the Brokerage Committee of the Client’s primary advisor will meet periodically to evaluate the broker-dealers used by Incenter to execute trades using the foregoing factors.

Incenter may receive research or other products or services other than execution from broker-dealers in connection with securities transactions known as a “soft dollar” relationship. Incenter may utilize “soft dollars” to obtain research and brokerage services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with

corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Incenter's Investment Committee will review and evaluate its soft dollar practices to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or Incenter's overall responsibilities to the accounts or portfolios over which Incenter exercises investment discretion.

The use of commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, Incenter may not have to pay for the products and services itself. This creates an incentive for Incenter to select or recommend a broker-dealer based on its interest in receiving those products and services.

In the event Incenter has more than one Client, research and brokerage services obtained by the use of commissions arising from Incenter's portfolio transactions may be used by Incenter in its other investment activities and thus, a Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. However, because Clients are expected to be managed on a *pari passu* basis, each Client is expected to generally benefit from soft dollars proportionately to the soft dollar credits it generates.

For certain "mixed use" items where a portion of the services received by Incenter fall outside of Section 28(e), Incenter will use hard dollars to pay for the portion of the product or service's costs that are outside of the safe harbor. In such a case, Incenter will make a reasonable allocation of the cost of the product or service according to its use. The allocation of cost will generally be made based on the percentage of time devoted to Incenter's use of the product for research or non-research applications.

Incenter may acquire research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; data services (including services providing market data, company financial data and economic data, and trading software operated by a broker-dealer to route orders); software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and comparison services, electronic confirms or trade affirmations.

Relationships with broker-dealers providing soft dollar services to Incenter may influence Incenter's judgment in allocating brokerage business, and may create a conflict of interest in using the services of such broker-dealers to execute securities transactions for Clients. While Incenter believes these relationships are generally beneficial, selecting broker-dealers on the basis of considerations other than applicable commissions may at times result in higher transaction costs than may otherwise be the case. Nevertheless, Incenter is expected in the aggregate to derive substantial direct and indirect benefit from these services, particularly to the extent soft dollars are used to pay expenses that Incenter would otherwise be required to pay.

Incenter does not permit Clients to direct brokerage.

Item 13: Review of Accounts

Incenter's Investment Committee is responsible for evaluating investment opportunities, making investment decisions, reviewing Client portfolios and ensuring that transactions are properly executed.

The key aspects of Incenter's management process are as follows:

- Incenter regularly reviews international and domestic events to determine the effect on positions held by its Clients.
- Incenter holds regular meetings to discuss investment ideas, economic developments, current events, investment strategies, issues related to its Clients' holdings, etc.
- Incenter reviews its exposure levels and other criteria on a regular basis in an effort to ensure that it is operating within allowable risk parameters.
- Incenter reviews buy and sell levels at least weekly, and more frequently as warranted due to market fluctuations.
- All transactions are reconciled by Incenter on a periodic basis

Item 14: Client Referrals and Other Compensation

Currently, Incenter does not provide compensation to any unaffiliated third party related to the solicitation of new investors for any of its Clients.

Item 15: Custody

Rule 206(4)-2 promulgated under the Investment Advisers Act of 1940 (the "Custody Rule") (and certain related rules and regulations under the Investment Advisers Act of 1940) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

Incenter is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a qualified custodian. Qualified custodians include banks, brokers, futures commission merchants and certain foreign financial institutions. Rule 206(4)-2 imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors) and surprise examinations relating to such clients' funds or securities. However, an adviser need not comply with such requirements with respect to pooled investment vehicles subject to audit if each pooled investment vehicle (i) is audited at least annually by an independent public accountant and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to its investors, all limited partners, members or other beneficial owners within 120 days (180 days in the applicable case of a fund of fund adviser) of its fiscal year-end. Incenter anticipates relying upon this audit exception with respect to its Clients.

In the event Incenter has custody of Client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to Incenter's Clients, Clients should carefully review those statements and are urged to compare any account statements received from the qualified custodian with those they receive from Incenter.

Item 16: Investment Discretion

Incenter serves as the sub-adviser with discretionary authority to implement investment decisions for the Client. Incenter's investment decisions and advice with respect to the Client is subject to the guidelines included in the Sub-Advisory Agreement.

Item 17: Voting Client Securities

Incenter's Clients primarily hold investments which typically do not issue proxies. However, Incenter votes any applicable proxies with diligence, care, and in the best interests of the Clients. Incenter's voting policies and procedures ensure that in cases where Incenter votes proxies with respect to Clients' securities, such proxies are voted in the best interests of the Client. In voting proxies, Incenter generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). Generally, Incenter will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, Incenter will determine whether a proposal is in the best interests of its Clients and may take into account the following factors, among others: (i) whether the proposal was recommended by management and Incenter's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

Incenter's Clients are not permitted to direct votes in a particular solicitation.

If a material conflict of interest between Incenter and a Client exists, Incenter will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action.

Clients may obtain a copy of Incenter's proxy voting policies and procedures and information about how Incenter voted a Client's proxies by contacting Mr. Craig Opp, Chief Compliance Officer, using the contact information included on the cover page of this brochure.

Class Actions

Incenter has the authority to direct the Clients' participation in class actions. The applicable Investment Committee or authorized investment personnel determine whether the Clients will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue their own remedy. The Chief Compliance Officer and the applicable Investment Committee or authorized investment personnel evaluate any conflicts of interest with regard to participating in a class action and determine an appropriate course of action for Incenter on behalf of the applicable Clients. Incenter generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.

Item 18: Financial Information

Incenter has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to provide investment advisory services to its Clients.