

PART 2A OF FORM ADV: FIRM BROCHURE

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ARGENTIC INVESTMENT MANAGEMENT LLC D/B/A ARGENTIC, ("ARGENTIC" OR THE "FIRM"). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (646) 560-1722 OR CBORG@ARGENTICMGMT.COM.

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Item 2. Material Changes:

The Firm has updated its prior Form ADV Part 1A and Part 2A dated November 2019 to reflect regulatory assets under management as of December 31, 2019. All current and prospective clients of Argentic (“Clients”) and all investors in the Clients that are managed by Argentic (“Investors”) are encouraged to read this brochure in its entirety.

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Item 4. Advisory Business:

Originally formed in 2013 as a commercial real estate lender, Argentic Investment Management LLC, DBA Argentic (“Argentic” or the “Firm”), is a Delaware domiciled limited liability company. In 2017, the Firm expanded its business to include investing in commercial mortgage-backed securities (“CMBS”) and other securities. The Firm also registered as an investment adviser with the SEC in 2017.

The Firm is currently majority owned by clients under common control with Elliott Management Corporation and its affiliates (“EMC” and such clients, “EMC Clients”). The EMC Clients own approximately 66% of the Firm and there are no other owners that own 25% or more of the Firm. Argentic is led by its Chief Executive Officer, Doug Tiesi.

The Firm provides investment management services to pooled investment vehicles. The Firm tailors its investment advice to the investment objectives of its Clients as set forth in their governing or operational documents.

Argentic manages (i) two pooled investment vehicles that invests primarily in CMBS (“CMBS Vehicles”), one of which is currently wholly owned by the EMC Clients and the other is majority owned by the EMC Clients, and (ii) two pooled investment vehicles focused on real estate lending (the “Real Estate Vehicles”), which are currently wholly owned by the EMC Clients.

As of December 31, 2019, Argentic managed \$794,300,000 regulatory assets under management on a nondiscretionary basis and no assets on a discretionary basis.

Item 5. Fees and Compensation:

For services provided, Argentic is generally entitled to receive management fees and, to the extent earned, performance-based fees. A general description of these fees is provided below but the specific terms of these arrangements and the methods of calculation are detailed in management agreements and other agreements that Argentic has executed with each Client. Investors are urged to consult the full descriptions of the fee arrangements in the governing documents.

Argentic reserves the right to waive, reduce or not charge fees in accordance with the governing documents of the specific Client. Each Investor is a “qualified purchaser”, as defined under U.S. Investment Company Act of 1940.

Fees may be deducted from a Client’s account, withheld from distributions, or invoiced at an appropriate time, as dictated by the governing documents.

Fees are negotiated on a Client-by-Client basis.

Management Fees

Argentic’s management fees are payable quarterly in arrears subject to certain limitations. The base on which the fees are charged vary by Client:

- The Real Estate Vehicles pay a management fee based on funded (or deemed funded) capital and certain other amounts.
- One of the CMBS vehicles pays a management fee based on the market value of the securities under management and certain other amounts. The other CMBS Vehicle does not pay a management fee.

Performance Based Fees

In addition to the management fees outlined above, Argentic is also entitled to receive performance-based fees as outlined in Item 6 of this Brochure, as well as, in the governing documents for each Client.

Administrative Fees

Clients, wholly-owned by the EMC Clients, also pay administrative fees to the Firm that are payable quarterly in arrears. The administrative fees are paid by these vehicles to partially offset the Firm for administrative and operational costs Argentic incurs with respect to the vehicles.

Application Fees

The Real Estate Vehicles collect application fees from the potential borrowers of loans made by the Real Estate Vehicles. The application fees are paid by these borrowers to partially offset the underwriting/overhead costs Argentic incurs with respect to these potential loans. The Real Estate Vehicles in turn pay over these application fees to Argentic.

Ancillary Asset Management Fees

The Real Estate Vehicles collect ancillary asset management fees from the borrowers who make a request for service and/or modification on loans made by the Real Estate Vehicles. The ancillary asset management fees are paid by these borrowers to partially offset the costs

Argentic incurs with respect to these requests. The Real Estate Vehicles in turn pay over these fees to Argentic.

Termination Fees

The Clients typically have the right to terminate their management agreements with Argentic in accordance with the terms of such agreements. Argentic is entitled to receive a termination fee from the Clients, wholly owned by EMC Clients, in the event of termination under certain circumstances as described in the relevant management agreements.

Other Expenses

In addition to the fees payable to the Argentic, Clients will also be responsible for certain expenses associated with the management of their accounts as outlined in the governing documents.

These expenses may include, but are not limited to, entity specific maintenance/organizational expenses, including the costs of legal fees, tax compliance, licenses, regulatory compliance, accounting, bookkeeping, accounting systems, taxes, expenses of advisory committees (if formed), consulting, custodial and/or depositary fees, administrator, auditing and other similar services, interest expense associated with financing loans or securities, fees associated with obtaining such financing including legal expenses and placement fees, hedging expenses including gains/losses and carry costs (Clients do not currently engage in hedging transactions but may in the future), placement agent fees and expenses, rating agency expenses, costs associated with selling/securitizing loans, settlement costs, liability and other insurance costs, indemnification expenses, litigation and settlement expenses, third-party expenses of owning, protecting, maintaining, disposing, restructuring, and defending investments owned by the Client, profit-sharing payments due to unaffiliated advisors, consultants, institutions or operating partners, any judgment or settlement of pending or threatened proceedings against a Client or a Client's subsidiary, broken-deal expenses, expenses associated with the preparation of periodic reports and related financial and other statements, and other customary expenses related to Client operations, travel and entertainment expenses in connection with the activities of the Clients, research-related expenses, including subscriptions and quotation equipment and services, expenses incurred in connection with the formation, maintenance and operation of special purpose vehicles through which a Client makes, holds or manages investments, and other out-of-pocket expenses directly related to the pursuit of investment opportunities (whether or not consummated), fees and expenses relating to the custody of a Client's assets, fees and expenses associated with borrowing and loan servicing fees, ongoing expenses related to complying with regulatory and reporting requirements following registration to market in any jurisdiction (including ongoing fees charged by regulators and any fees, costs, and expenses incurred in complying with the disclosure, reporting, and other similar obligations), and any extraordinary expenses.

Investors should review the management, offering documents and other applicable agreements to obtain a complete understanding of all fees and expenses borne by such Clients.

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

Argentic receives performance-based compensation with respect to certain of the Clients that may create a conflict of interest in that the Firm may have an incentive to make investments that are riskier or more speculative than those that might have been made in the absence of such performance-based fee. In addition, Argentic may be incentivized to provide preferential treatment to Clients that pay a higher performance-based fee over those with lower or no fees.

To mitigate these potential conflicts of interest, Argentic has a separate Client for each of its strategies and allocates investment opportunities based on the strategy and investment objectives of such entity. Further, the Firm seeks to minimize this conflict by taking a disciplined approach to portfolio management. Argentic has adopted policies and procedures to ensure the fair allocation of investment opportunities across Clients (who are investing) for which the investment is appropriate, based on the Clients' investment objectives.

Performance-based fees are payable to Argentic on a semi-annual basis in arrears by Clients, wholly owned by the EMC Clients, provided that certain return thresholds are met.

The performance-based compensation (referred to in previous paragraph), is not subject to clawback. However, if the return for performance-based compensation measurement period is below a specified threshold, the difference between the actual return and threshold return is tracked and must effectively be repaid from returns in future periods before any performance-based compensation earned in subsequent periods can be paid.

A full description of performance-based fee arrangements is outlined in each of the relevant governing documents of the Clients. Investors are urged to review the full descriptions of the fee arrangements in the governing documents.

Item 7. Types of Clients:

Argentic provides management and investment management services to Clients as described in Item 4 above. As of the date of this brochure, the Firm provides investment management services to four Clients. The investors in the Clients are “qualified purchasers”.

Currently the Advisor has no stated minimum account size for opening or maintaining an account with the Advisor.

This Brochure is not an offer to invest in the Clients.

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

Methods of Analysis and Investment Strategies

Argentica's investment objective for its Clients is to seek superior risk-adjusted returns on its investments, while preserving capital.

The Firm focuses primarily on investing in real estate, real estate loans, securities including below-investment-grade CMBS bonds ("B-Pieces"), investment grade bonds, non-performing and sub-performing loan portfolios, opportunistic lending including mezzanine loans, preferred equity, and other high yield debt and opportunistic credit investments located in the U.S.

Depending on their investment objectives and strategies, the Clients invest in fixed and floating rate loans and selective real estate debt securities secured by, among other things, multi-family, office, retail, industrial, self-storage, mixed-use, hospitality, and manufactured housing assets.

Specifically, the CMBS Vehicles are investment vehicles that are engaged in the business of investing in B-Pieces. For each investment, the Firm will undertake a due diligence process which may include some or all of the following steps: review specific data from the issuer(s) with pertinent loan and property level information on all loans to be included in the securitization, perform site inspections, visiting each of the properties (or a selection of properties in the case of multi-property portfolios) to gain an understanding of physical condition, market position and significant locational factors affecting each such property, engage in question and answer sessions with the loan sellers either via written format or by way of conference calls, and review analysis of local market conditions through broker and investor interviews, published reports and other information sources that the Firm deems appropriate. The underwriting of each asset will generally be based on (i) the property or collateral information contained in the seller/sponsor due diligence package or loan files, (ii) independent research, (iii) market analysis and (iv) applicable property inspection. The values calculated from discounting future cash flows will be tested for reasonableness including comparisons to recent sales in the market as well as to replacement cost, ratio analyses and other underwriting criteria. The Firm believes its relationships and experience across industries, special situations, complex situations and collateral types, as well as its activities in the Real Estate Vehicles will allow it to source opportunities for one of the CMBS Vehicles. All investment decisions are made by the applicable investment committee (each an "Investment Committee"), as further described in Item 16 below. For more information regarding the Investment Committee Members, please see Argentica's Form ADV Part 2B.

Risk of Loss

To minimize the risk of loss and preserve capital, Argentica has a comprehensive risk management framework focused on monitoring and mitigating risk. The Clients are monitored on a continuous basis to review investments and confirm that they continue to be supported by entity's strategy and the current objectives of the applicable Investment Committee. All investing involves a risk of loss and the investment strategy offered by the Firm could lose money over short or even long periods. An investment in a Client is a speculative investment and not intended as a complete investment program. These strategies are designed for sophisticated investors who fully understand and are capable of bearing the loss of the entire amount invested. There is no guarantee that Clients or Investors will achieve their investment

objectives or receive a return of their capital. Performance could be negatively impacted by a number of different market risks including, but not limited to:

Investments in Real Estate in General

There is no assurance that Clients' investments in real estate and related assets will be profitable or that cash flow from these investments will be available for distribution. Real estate investments that Clients acquire may generate operating revenues that include rental payments received from tenants under leases. From time to time these tenants could experience a downturn in their respective businesses, which may weaken their financial condition and result in a failure to make rental payments when due. In addition, tenants may at any time seek the protection of bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease as well as result in tenant's inability to make payments.

Furthermore, real estate, like many other long-term investments, historically has experienced significant fluctuations and cycles in value. Specific market conditions may result in occasional or permanent reductions in the value of an investment. The value of Clients' investments will depend on many factors beyond Argentia's control, including: changes in general economic or local conditions; changes in supply of or demand for competing properties in an area; changes in interest rates, which may affect, among other things, a Client's ability to enter into a favorable transaction or to sell all or part of an investment; the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and tenant safety; unavailability or the cost of mortgage funding which may render the construction, leasing, sale or refinancing of a property difficult; the financial condition of borrowers and of tenants, buyers and sellers of property; changes in tax rates and other operating expenses (including the cost and availability of insurance of all types (particularly windstorm and flood insurance)); the imposition of rent controls; energy, materials and/or labor shortages or the cost thereof; various uninsured or uninsurable risks; natural disasters; political instability; war; and terrorism.

There is no assurance that there will be a ready market for investments made by a Client because real estate investments held either directly or indirectly through partnership or other ownership vehicles generally are less marketable and illiquid due to the unavailability of reliable or any market quotations. Accordingly, the ability of Clients to adjust their portfolios in response to changes in economic or other conditions may be limited.

Further Deterioration in the Mortgage, Real Estate or Financial Markets or the Economy in General

The financial crisis beginning in 2007-2008 in the U.S. and many non-U.S. economies, including the European sovereign debt and banking crises, resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both within and outside the United States. The mortgage market has been adversely affected by changes in the lending landscape and there is no assurance that these conditions will stabilize or that they will not worsen. In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact conditions in a different country or region.

While economic conditions are recovering in the U.S. and other jurisdictions, they are nevertheless perceived as still fragile. Therefore, Clients' investments will be materially affected by conditions in the mortgage market, the residential and commercial real estate markets, the financial markets, and the economy generally. Delinquencies and losses exist with respect to residential and commercial real estate loans generally and may increase in the future. Although Clients' investments may be acquired at what Argentic believes to be favorable prices that already reflect these circumstances, any subsequent deterioration of the mortgage or real estate markets, financial markets or the economy in general, may nonetheless cause Clients to experience losses related to their real estate investments and related assets.

Risks Related to Debt Investments in General

Investments in debt are associated with a number of risks. Debt which is performing at the time of acquisition may subsequently become sub-performing and/or non-performing. In addition to the risk of borrower default, there is a risk that underlying collateral may be mismanaged or otherwise decline in value and/or may in the future further decline in value.

Concentration of Investments in Real Estate

The concentration of Clients' investments in the real estate industry increases the volatility of their returns and exposure to a greater risk of downturns in this industry. As a result, distress in the real estate industry will adversely affect these investments.

Concentration in Asset Class

The concentration of a Client in one specific security type will have a large impact on the performance of a Client's returns. Investments in certain securities have restrictions on transfer or holding requirements and therefore will be unsaleable until restrictions expire.

Concentrations of Property Types

A concentration of property types held by a Client increases the risk that a decline in a particular industry or business will have a disproportionately larger impact on the performance of a Client's portfolio as a whole. For example, a decline in tourism or viral outbreak will adversely affect the hotel industry which may in turn lead to losses on hospitality properties that may be held in a Client's portfolio, as compared to other property types.

Valuation Risk of Illiquid Investments

The assets that Clients purchase generally are not actively traded. In the absence of market comparisons, Argentic utilizes pricing methodologies, including, for example, models based on assumptions regarding expected trends, historical trends following market conditions believed to be comparable to the then current market conditions and other factors believed at the time to be likely to influence the potential resale price of an investment. Such methodologies may not prove to be accurate and could adversely impact the investment.

Risks of Illiquidity

Many of Clients' investments will have no (or only a limited) market or may be subject to legal or other restrictions on transfer. The determination of whether and when a particular asset held by a Client should be sold or otherwise disposed of will be made after consideration of relevant factors, including but not limited to, prevailing economic conditions, asset performance, real estate and capital market conditions, and tax

consequences. However, market prices, if any, for such assets tend to be volatile and may fluctuate due to a variety of factors that are inherently difficult to predict. These factors include but are not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of the asset.

Argentic cannot predict the length of time needed to find a willing and suitable purchaser for its Clients' investments. Argentic may be unable to sell these assets when desired or may be unable to realize what it believes to be the assets' fair value. The sale of illiquid assets and restricted securities often requires more time and results in higher brokerage charges, or dealer discounts and other selling expenses, than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. In addition, Clients may be subject to legal or contractual restrictions that prevent the disposition of an investment at a time it might otherwise seek to. During periods of extreme economic disruptions, markets for one or more investments may not exist; thus Clients may be required to hold such investments indefinitely. Any delay in the disposition of an investment could reduce and adversely impact the return that a Client may eventually realize.

Risks of Long-Term Nature of Investment with No Certainty of Return

Many of the investments recommended by Argentic require a long-term commitment with no certainty of return. Although these investments may generate some current income, the return of capital to Clients and the realization of gains, if any, will generally occur only upon the partial or complete disposition or refinancing of such investments. In addition, a Client may leverage certain investments by obtaining loans from third parties (which may include seller financing). Satisfaction and repayment of these loans are generally required to be made in full before the Client will be able to receive cash distributions from these investments. As a result, there may be little or no near-term cash flow available to the Client.

Clients may make only a limited number of investments; some of which will involve a high degree of risk. Such investments could experience financial difficulties which may never be overcome. The poor performance of one or two or a few investments in a Client's portfolio could materially and adversely impact its return.

Real Estate Vehicles acquire investments with the intent to finance any or a portion thereof. However, the risk exists that the financing transaction may not be completed successfully, which could potentially result in a reduced diversification of the Client's portfolio, and/or a longer than expected holding period.

Credit Risk Retention Requirements for Asset-Backed Securities Transactions

Certain Clients' investment strategies include significant investments in B-Pieces of CMBS transactions. B-Pieces represent the most subordinate classes of securities in the capital structure of a CMBS pool and are the first classes to incur losses when the pool has insufficient funds to pay all contractual interest or principal due on its securities.

In October 2014, the SEC, the U.S. Federal Reserve, the U.S. Treasury, and other governmental authorities jointly adopted rules ("risk retention rules") that generally require the securitizer of asset-backed securities to retain not less than 5% of the credit risk of the

assets collateralizing the asset-backed securities (the “risk retention requirement”). Compliance with the risk retention requirement was effective on December 24, 2015 for residential mortgage-backed securities (“RMBS”), and beginning December 24, 2016 for CMBS and other types of securitizations. The risk retention requirements generally require at least one of the sponsors (or its majority-owned affiliates) in a securitization to retain a minimum economic interest in the pool for a minimum holding period (generally five years after closing of a securitization of CMBS, or two years after the closing of all other types of securitizations). The risk retention requirement can be satisfied by the retention of at least a 5% “eligible vertical interest” (i.e., at least a 5% interest in the cash flows of each tranche or class of securities in the issuing entity), at least a 5% “eligible horizontal residual interest” (i.e., a B-Piece equal to at least 5% of the fair value of all tranches or classes of securities in the issuing entity) or an “L-Shaped” which is a combination of an “eligible vertical interest” and an “eligible horizontal residual interest” that totals at least 5%.

Commercial Mortgage Loans, CMBS and Other Pools of Commercial Mortgage Loans

Clients will indirectly invest in commercial mortgage loans by purchasing CMBS/or interests in other pools of commercial mortgage loans. Interests in CMBS are secured by pools of commercial mortgage loans. Accordingly, Clients who acquire such investments are subject to the risks associated with holding pools of commercial mortgage loans as well as those related to the loans underlying CMBS that are acquired.

Commercial lending is generally viewed as exposing a lender to a greater risk of loss, in part because it typically involves making larger loans to a single borrower or groups of related borrowers. The repayment of loans secured by commercial properties often depends upon (i) the ability of the related real estate property to generate income sufficient to pay debt service, operating expenses and leasing commissions, and to make necessary repairs, tenant improvements and capital improvements, and (ii) in the case of commercial loans that do not fully amortize over their terms, to retain sufficient value to permit the borrower to pay off the loan at maturity which could occur through a sale or refinancing of the mortgaged property.

Any factor that affects the ability of a project to generate sufficient cash flow could have a material adverse effect on the value of such loans. These factors include but are not limited to: (i) the uncertainty of cash flow to meet fixed obligations; (ii) adverse changes in general and local economic conditions, including interest rates and other local market conditions; (iii) tenant credit risks; (iv) the unavailability of financing, which may make the operation, sale or refinancing of a property difficult or unattractive; (v) vacancy and occupancy rates; (vi) fluctuation of construction and operating costs; (vii) regulatory requirements, including zoning, rent control and real and personal property tax laws, rates and assessments; (viii) environmental concerns; (ix) project and borrower diversification; (x) vandalism (with attendant security costs); (xi) uninsured losses; (xii) restrictions and compliance costs imposed by the Americans with Disabilities Act, the Fair Housing Act, as amended, and similar laws; and (xiii) general non-recourse status.

Commercial properties often involve a single user or tenant, or relatively few tenants, and property specifications may be tailored to the requirements of particular users or tenants; accordingly, it may be difficult, costly and time-consuming to liquidate such properties or attract new tenants. Converting commercial properties to alternate uses

generally requires substantial capital expenditures. Some mortgaged properties securing commercial mortgage loans may not be readily convertible (or convertible at all) to alternative uses if those properties were to become unprofitable for any reason. Mortgaged properties that have been designated as historic sites may also be difficult to convert to alternative uses and may also require certain governmental approvals to make alterations or modifications to the related mortgaged property. Furthermore, the liquidation value of any mortgaged property, subject to limitations as described above or other limitations on convertibility of use, may be substantially less than would be the case if the property were readily adaptable to other uses.

Uncertainty Relating to the LIBOR Calculation

Many financial instruments use or may use a floating rate based on LIBOR, which is the offered rate for short-term Eurodollar deposits between major international banks. For several years, LIBOR has been the subject of national and international regulatory scrutiny. Among other things, there is concern with the integrity of LIBOR due in part to the limited number of transactions in the interbank lending market underlying LIBOR. As a result, central banks around the world, including the U.S. Federal Reserve Board (“Federal Reserve”), have commissioned working groups of market participants and official sector representatives with the goal of finding suitable replacements for LIBOR and replacements or reforms of other interest rate benchmarks. Other interbank offered rates, as well as select other interest rate benchmarks besides LIBOR (such as EURIBOR and EONIA in Europe), are also being evaluated in their respective jurisdictions for potential reform. It is expected that a transition away from the widespread use of LIBOR and such other reference rates to alternative rates based on observable market transactions and other potential interest rate benchmark reforms will occur over the course of the next few years. For example, on July 27, 2017, the head of the United Kingdom’s Financial Conduct Authority (“FCA”) announced a desire to phase out the use of LIBOR by the end of 2021; in fact, the FCA has indicated it will not compel panel banks to continue to contribute to LIBOR after the end of 2021. The committee established by the Federal Reserve, the Alternative Reference Rates Committee, announced the replacement of LIBOR with a new index, based on overnight repurchase agreements collateralized by U.S. Treasury securities, called the Secured Overnight Financing Rate (“SOFR”). The Federal Reserve Bank of New York began publishing SOFR in April 2018. At this time, it is not possible to predict whether SOFR will attain market traction as a LIBOR replacement tool, and the future of LIBOR is still uncertain.

The effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR or other reference rates that may be enacted in the United Kingdom or elsewhere cannot be predicted at this time, and it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may have on the financial markets for financial instruments based on LIBOR. The market transition away from LIBOR and other current reference rates to alternative reference rates is complex and could have a range of adverse impacts on a Client’s investments, financial condition and results of operations.

Subordinated Securities

Clients may hold significant investments in below-investment-grade (or unrated) CMBS which are subordinated to other more “senior” securities of the same issue or series. The default-related risks of the underlying mortgages or assets are severely magnified in subordinated securities. B-Pieces absorb all losses from default before any other class of securities is at risk. Such securities therefore possess some of the attributes typically associated with equity investments. Default risks may also be further pronounced in the case of CMBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Accordingly, these securities may experience significant price and performance volatility with respect to a variety of market and non-market factors.

The credit risk associated with CMBS may or may not be hedged. In some cases, a Client may hedge certain of these purchases through offsetting short positions. No natural hedge exists for the default risks of many asset types, including those inherent to individual whole loans, as the behavior of a small set of borrowers may not be well correlated to the behavior of a larger pool. The market values of certain of these securities (such as subordinated CMBS) generally tend to be more sensitive to changes in economic conditions than higher-rated securities. Declining real estate values, in particular, will increase the risk of loss to subordinated CMBS upon default, and may lead to a downgrading of the securities by rating agencies. The value of subordinated CMBS may also be affected by changes in the market’s perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the credit quality of securities that they rate. Argentic will use these ratings as initial criteria for the selection of portfolio securities. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not evaluate the market value of securities. Rating agencies may also fail to change their ratings of any particular issue on a timely basis to reflect events that impact the issuer.

Investing in Different Classes of the Capital Structure and in Distressed Entities

Because Argentic offers different investment strategies and investments within those strategies are made independently of each other, the purchase and sale of securities in the same issuer is not uncommon. Those securities may be of the same class or different classes (and thus different seniorities) of the issuer’s capital structure. There may also be instances where the Investment Committee approves an investment in one class of an issuer for a Client and in other classes of the same issuer for another Client or situations in which the Firm will make an investment for one Client, which then underlies a securitization in which the resulting securities are purchased by another Client.

In general, the conflicting interests are not an area of significant concern to the Firm, because the potential for conflict generally is not substantial and each Client has a different strategy and its investments are expected to perform without regard to the other investments. However, in distressed situations, this may result in the interests of certain Clients being subordinated by the interests held by other Clients, or situations in which Argentic will make a decision in the best interest of one Client, which is contrary to the best interests of another Client. For more information please see Conflicts of Interest below.

Counterparty Risks

Investments in securities or other financial instruments may be subject to the risk of the inability of any counterparty (including any custodian) to perform with respect to such transactions, whether due to insolvency, bankruptcy or other causes. The Firm may maintain trading relationships with counterparties that generally include various non-U.S. broker-dealers and financial institutions. In general, the Firm will seek to diversify Client portfolios' counterparty risk and maintain relationships with highly rated counterparties. However, these relationships could result in concentration of credit risk. A Client could be exposed to credit risk if counterparties fail to fulfill their obligations or the value of any collateral provided by a counterparty becomes inadequate.

Leverage

Certain Clients may acquire property or other assets subject to existing financing or may obtain new financing and may incur secured or unsecured indebtedness. In addition, a Client may obtain a subscription facility to finance investments, which may be secured by a pledge of the Client's limited partners' unfunded commitments. Should the Client obtain substantial leverage, such leverage will increase the Client's exposure to adverse economic factors such as significantly rising interest rates, severe economic downturns, further real estate downturns, or deteriorations in the condition of its investments or one or more geographic markets in which investments are located.

In the event an investment is unable to generate sufficient cash flow to meet principal and interest payments on the Client's indebtedness, as well as pay other operating expenses of the Client (most of which will be fixed in nature), the Client's return on its investments would likely be significantly reduced or even eliminated.

Moreover, the presence of debt creates significant additional risks, such as: (i) lending institutions may have rights to participate in certain decisions relating to the management of the Client or investments; (ii) financial obligations of the Client will have to be repaid before the Investors will be able to receive a return, if any, on their interests; and (iii) cash flow from operations may be insufficient to pay the Client's debt service, potentially resulting in capital calls being made on the investors or foreclosure on the collateral given by the Client to secure its obligations under such debt. Any inability of the Client to repay such borrowings could result in a reduction or complete loss of Investors' investments in the Client.

Cybersecurity Breaches

Clients are subject to risks associated with a breach in Argentic's cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Clients may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose both Argentic and its Clients to civil liability as well as regulatory inquiry and/or action. In addition,

Clients could be exposed to additional losses as a result of unauthorized use of their personal information.

Force Majeure

Client investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party to perform its obligations until it is able to remedy the force majeure event. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an investment. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally. Any of the foregoing may therefore adversely affect the performance of a Client and its investments.

Coronavirus and Public Health Emergencies

As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a “Public Health Emergency of International Concern.” The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact to the global markets is as yet unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact a Client and its investments and could meaningfully affect a Client’s ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on a Client’s and its investments’ operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor

liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may negatively impact the value and performance of a Client's investments, a Client's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and a Client's ability to achieve its investment objectives, all of which could result in significant losses to a Client. Any such disruptions may continue for an extended period of time. In addition, the operations of a Client, its investments, and Argentic may be significantly impacted, or even temporarily or permanently halted (as is already the case with certain businesses), as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Clients are expected to incur heightened legal expenses which could similarly have an adverse impact to a Client's returns. For example, but not by limitation, a Client or its investments may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the appropriate Client. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Client or its investments in the form of economic harm, data loss or other negative outcomes.

Conflicts of Interest

Argentic and its affiliates have certain conflicts of interest in their management of Client accounts. These conflicts arise primarily from the involvement of Argentic or its affiliates in other activities that may conflict with those of Clients and will also arise whenever an Argentic affiliate is engaged to perform for compensation any services for Clients.

As mentioned previously, the Firm is undertaking multiple lines of investing and lending activities. There will be situations in which Argentic may structure a loan for one of the Real Estate Vehicles, where one or more of the CMBS Vehicles will purchase or have purchased B-Pieces that ultimately arise from the loan(s). In these cases, the Firm may be incentivized to treat one Client preferentially over the other. In other situations, pursuant to the investment mandates of each of the Clients, the Firm may recommend an investment to one Client which is subordinated by investments entered into by another Client. Furthermore, there may be situations in which, as a result of the structuring of the transactions, one or more of Argentic's Clients are paying fees to another one of its Clients.

Also, the potential to earn performance-based compensation could give us an incentive to invest assets in an aggressive or speculative manner. The Firm seeks to minimize this conflict by taking a disciplined approach to portfolio risk management. See Item 6 above.

Special Servicer Affiliate

An affiliate of the Firm will serve as special servicer (the “Special Servicer Affiliate”) for investments held by the Clients except in certain limited circumstances. The Special Servicer Affiliate is majority-owned by the same owners as the Firm which could incentivize the Firm to hire the Special Servicer Affiliate. The Special Servicer Affiliate is required to act in accordance with the serving standards set out in the applicable pooling and servicing agreement related to the CMBS transactions. The Special Servicer Affiliate is a newly formed servicer and has no operative history, and may have less personnel and resources, as compared to other established servicers. The failure of the Special Servicer Affiliate or any other servicer to perform its servicing obligations, or to maintain any necessary ratings or licenses may have a material adverse effect upon the amount and timing of collections with respect to the Client’s investments.

All fees as described in Item 5 above are not offset by the servicing fees that are received by such Special Servicer Affiliate. Argentic will have a conflict of interest in determining whether to cause the Special Servicer Affiliate to be retained in connection with the servicing of the Client’s investments or the underlying loans. Argentic is not required to use an unaffiliated third-party special servicer, even if such special servicer charges fees that are lower than those charged by the Special Servicer Affiliate. Fees charged by the special servicers, including the Special Servicer Affiliate, are generally set in the pooling and services agreements. The Client does not have any right to share in the profits earned by the Special Servicer Affiliate or the proceeds from any sale of the Special Servicer Affiliate. All such profits and proceeds will be retained by the owners of the Special Servicer Affiliate.

The Special Servicer Affiliate is subject to agreements that require it to service and administer the loans in the pool in the best interest of the pool and all classes of certificate holders and without regard to any other relationship or interest that the Special Servicer Affiliate may have with respect to related parties (including with Clients). In certain circumstances, the Special Servicer Affiliate would be required to put the interest of the pool and the investors in the pool ahead of the interests of any particular Client and the Special Servicer Affiliate may be required to take certain actions that would be adverse to the interests of a Client.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Argentic. Prospective Clients and Investors should read the entire applicable offering materials and consult with their own advisers before deciding whether to invest. In addition, as the investment program develops and changes over time, an investment managed by Argentic may be subject to additional and different risk factors.

Item 9. Disciplinary Information:

Neither Argentic nor any of its officers, directors, employees, or other management persons has been subject to any material legal or disciplinary events in the past ten (10) years which would be material to a Client's or Investor's evaluation of the Firm or its personnel.

Item 10. Other Financial Industry Activities and Affiliations:

As mentioned previously, Argentic is majority owned by the EMC Clients and three of the Clients are wholly-owned by EMC Clients.

Argentic has entered into a services agreement under which certain affiliates or employees of Silverpeak Real Estate Partners, as applicable, may provide back-office services support to the Firm.

Certain conflicts of interest relate to transactions between affiliated entities of the Firm are discussed in Item 8 - Conflicts of Interest. In certain situations, these may be deemed to be “Principal Transactions” and will be conducted in accordance with Section 206(3) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the rules thereunder.

EMC is an SEC registered investment adviser (SEC File No. 801-73640). More information about EMC and Silverpeak Real Estate Partners may be found at www.adviserinfo.sec.gov.

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

Argentic maintains a code of ethics (the “Code”) that applies to each employee and other supervised persons of Argentic (collectively referred to herein as “Employees”). The Code requires compliance with all applicable laws and regulations, including federal securities laws; acting in the best interests of the Firm’s Clients at all times; avoiding actual and potential conflicts of interests; complying with certain restrictions on personal trading and prompt reporting of violations of the Code. The Code sets standards that require Employees to act with honesty and integrity with respect to Argentic and its Clients and to never take inappropriate advantage of his or her position with Argentic to his/her personal benefit. In the event of a conflict of interest that is not otherwise addressed by the applicable governing documents, Argentic will be guided by its fiduciary responsibilities, compliance policies and procedures and good faith judgment as to the best interests of the Clients.

Argentic’s Code also requires Employees to, among other things: (1) pre-clear certain personal securities transactions; and (2) provide Argentic with all information relating to their personal accounts and their private investments (both initially upon commencement of employment and annually thereafter) over which such Employee has a direct or indirect beneficial interest.

Employees of Argentic may engage in certain outside business activities if these activities are approved by the Firm’s Chief Compliance Officer. These activities are reviewed on a case-by-case basis taking into account potential conflicts of interest, disclosure obligations, and any other relevant regulatory issues.

Argentic has a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about Investors, as required under federal legislation. Argentic may make changes to its privacy policy in the future. Argentic will not make any material change affecting an Investor who is a natural person without first sending that Investor a revised privacy policy describing the change.

A copy of the Code will be provided to an Investor or prospective Investor in our Clients upon request.

Item 12. Brokerage Practices:

Argentic primarily focuses on investments in real estate and real estate related loans, mezzanine loans, and other high yield debt and opportunistic credit investments. Argentic also purchases CMBS securities. To the extent that Argentic transacts in public securities or other non-private investments that require the use of a financial intermediary such as a broker-dealer, Argentic will select an intermediary based on its ability to provide best execution for its Clients. For Clients, wholly-owned by EMC Clients, Argentic is generally authorized to make the following determinations, subject to such Client's investment objectives and restrictions and approval by a representative of EMC Clients: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iv) the commission rates or commission equivalents charged for transactions. With respect to the Client not wholly owned by EMC Clients, Argentic has the ability to manage the investment in the vehicle but may not sell the investment without approval from EMC Clients and the third-party investor. No additional investments are permitted to be purchased in this Client without approval from EMC Clients and the third-party investor.

"Soft Dollar" Policy: The Firm does not currently utilize "soft dollars." To the extent the Firm uses soft dollars on behalf of Clients, it will seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Trade Errors: Due to the type of investment activities undertaken by the Firm, Argentic does not anticipate that there will be any "errors" while investing on behalf of its Clients. However, to the extent that there are any losses or expenses incurred in the performance of its obligations to Clients, absent express terms to the contrary contained in the governing documents, the Firm will not be responsible to reimburse Clients unless a court of competent jurisdiction determines that the losses or expenses occurred as a result of willful misfeasance, bad faith, gross negligence or reckless disregard of duty by the Firm.

Item 13. Review of Accounts:

Generally, the Clients' investments are reviewed on an ongoing basis by the applicable individual(s), group(s), or committee(s). These reviews are designed to monitor and analyze Client investments. Particular attention may be given to changes in fundamentals, industry outlook, market outlook, and price levels. However, it should be noted that certain of the investments Argentic manages on behalf of Clients are private, illiquid, and long term in nature. Certain specific investments may also be subject to legal or regulatory restrictions that prevent the disposition of such assets for specific periods of time. Accordingly, Argentic's review process is not necessarily directed towards a short-term decision with respect to the disposition of securities.

In addition to audited financial statements, which are provided on an annual basis with respect to Clients, Argentic also provides reports to the Investors regarding their investments and tax information in the form and containing such information as determined between the parties in the relevant governing documents or otherwise.

Item 14. Client Referrals and Other Compensation:

Argentic has not entered into written agreements with third-party solicitors and placement agents for the referral of Clients or Investors. The Firm has engaged two placement agents for the referral of investors in future Clients of the Firm.

Item 15. Custody:

Client funds and securities over which Argentic has custody are held by a qualified custodian, to the extent required by the Advisers Act. All Clients are subject to an annual audit and the audited financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and distributed within 120 days post year-end to the Investors of such Clients, as required.

Item 16. Investment Discretion:

The management agreements between Argentic and Clients currently provide that Argentic will act for Clients on a non-discretionary basis. All investment decisions are governed by the guidelines, mandates, and restrictions outlined in the governing documents of the Clients. The Firm makes all investment decisions through two Investment Committees depending on assets. Once an investment is approved at the relevant Investment Committee it will be recommended to the relevant Client(s). A representative of the EMC Clients must approve investments for Clients wholly-owned by the EMC Clients. No additional investments are permitted to be purchased in the CMBS Vehicle, not wholly owned by the EMC Clients, without approval from the EMC Clients and the third-party investor.

Item 17. Voting Client Securities:

Clients typically do not invest in securities for which proxies are issued. However, in accordance with its fiduciary duty to Clients and Rule 206(4)-6 of the Advisers Act, the Firm has adopted and implemented a written policy and procedures governing the voting of Client securities to address the rare occasion on which this may occur. The Proxy Voting Policy seeks to ensure that Argentic votes proxies in the best interest of its Clients, including where there may be material conflicts of interest in voting proxies. Other than as permitted in the respective governing agreement, the investors in a Client cannot direct the Firm's vote in a particular solicitation.

In the event a material conflict of interest is deemed to exist and it is determined that the proxy will not be able to be voted in an objective manner, Argentic will refrain completely from exercising its discretion with respect to such vote. The Firm will maintain copies of all proxy votes. This information is available for review by any Client or any Investor upon written request.

While the Firm anticipates that there will not be much activity with regard to proxy voting, there may be instances in which Argentic is asked to vote on changes to indentures, covenants, restrictions, etc. regarding the loans and CMBS held in Client accounts. The EMC Clients retain discretion to direct all such votes. However, with respect to the Real Estate Vehicles, the Firm has sole discretion to make such votes, if the EMC Clients, directly or indirectly, own, or EMC is managing, a subordinated interest (*e.g.*, equity) to a loan held by such Clients. Argentic has policies that seek to ensure the Firm is acting in the best interest of its Clients when determining any action to be taken on behalf of its Clients.

Item 18. Financial Information:

Argentic does not require prepayment of fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.