

Item 1 – Cover Page

Form ADV Part 2A Brochure

March 30, 2020

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*This brochure, dated March 30, 2020 ("**Brochure**"), provides information about the qualifications, investment strategies, and business practices of LoanCore Capital Credit Advisor LLC (the "**Advisor**"), an investment adviser registered with the U.S. Securities and Exchange Commission (the "**SEC**").*

Please note that SEC registration status does not indicate a particular level of skill or training of the Advisor or its employees and that neither the SEC nor any state securities authority has approved this Brochure. The information in this brochure has not been approved or verified by the SEC or by any U.S. state securities authority.

If you have any questions about the contents of this Brochure, please contact us at (203) 861-6000 or by e-mail at investorrelations@loancore.com. Additional information about the Advisor is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure replaces our previous brochure, dated March 29, 2019.

This Brochure has been further updated to clarify certain client expenses, as well as certain risk disclosures and conflicts of interest. In addition, the Advisor routinely makes updates throughout the Brochure to improve and clarify the description of its business practices, compliance policies and procedures, as well as to respond to evolving industry best practices.

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Item 4 – Advisory Business

Background and Ownership Structure

LoanCore Capital Credit Advisor LLC (the “**Advisor**”) was founded in 2016 as an asset manager focused exclusively on commercial mortgage loans and other commercial real estate-related assets, and has its principal office and place of business in Greenwich, Connecticut. The Advisor is an investment adviser registered with, and regulated by, the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). The Advisor is a wholly owned subsidiary of LoanCore Capital, LLC (“**LoanCore Capital**”), which itself is principally owned by Mark Finerman. LoanCore Capital Credit Manager LLC (“**LoanCore Manager**”), also a wholly owned subsidiary of LoanCore Capital, was founded in 2016 as a special purpose vehicle, and also has its principal office and place of business in Greenwich, Connecticut. For purposes of this Brochure, “Advisor” includes, where the context permits, LoanCore Manager and any other affiliates that provide advisory services too and/or receive advisory fees from, the Funds (as defined below).

Advisory Services

The Advisor serves as an investment adviser to LoanCore Capital Credit REIT LLC (the “**REIT**”), a commercial real estate finance company that primarily originates, invests in and manages commercial mortgage loans and other commercial real estate-related assets. Mr. Finerman, along with other Advisor personnel, serve as executive officers of the REIT and members of the REIT’s credit committee (the “**Credit Committee**”), and Mr. Finerman serves as one of three members of the REIT’s board of managers (the “**Board**”).

LoanCore Capital Credit LP (the “**Feeder Fund**,” and, together with the REIT, the “**Funds**”) owns more than 99% of the REIT. LoanCore Manager serves as manager and director of the REIT and general partner of the Feeder Fund. The Funds are exempt from registration as investment companies under U.S. law by virtue of Section 3(c)(1), Section 3(c)(5) and/or Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and whose securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”).

Pursuant to a management agreement between the Advisor and the REIT (the “**REIT Management Agreement**”), the Advisor, subject to the overall supervision and control of the Board and LoanCore Manager, acts as the investment adviser to the REIT. As the investment adviser, the Advisor, among other services, identifies, evaluates, structures and makes investment recommendations to LoanCore Manager, and the Board and Credit Committee. The Advisor does not have discretionary authority to make or dispose of investments on behalf of the Feeder Fund or the REIT. The Advisor tailors the investment advisory services provided to the REIT based on the REIT’s investment objectives.

All descriptions of the Funds in this Brochure, including, but not limited to, their investments, the strategies used in advising the Funds, the risks associated with them, the fees and other costs associated with an investment in the Funds, and conflicts of interest faced by the Advisor in connection with advisement of the Funds are qualified in their entirety by reference to the

Fund's governing documents, including offering memoranda, as supplemented from time to time, organizational documents and subscription agreements, advisory agreements and/or any side letter agreements negotiated with investors in the applicable Fund (collectively, the "Fund Documents"). Specific details relating to the advisory and management services provided by the Advisor are fully disclosed in the Fund Documents. In addition, because the Feeder Fund's sole investment is an interest in the REIT, references to investment activities of the Funds generally mean indirect investment activities of the Feeder Fund, and direct investment activities of the REIT.

The Advisor does not participate in wrap fee programs.

Regulatory Assets Under Management

As of December 31, 2019, the Advisor had approximately \$7,311,900,346 in regulatory assets under management managed on a non-discretionary basis and \$0 in regulatory assets under management managed on a discretionary basis.

Item 5 – Fees and Compensation

Management Fee

In exchange for investment advisory services rendered to the Funds, the Advisor receives an annual management fee. The management fee is typically payable quarterly in advance and is calculated based on unreturned capital contributions to the REIT. The management fee will be prorated for any quarter for which the Advisor serves as an adviser for less than the full quarter (based on the number of days remaining in the quarter). The management fee paid by the REIT are indirectly borne by the investors in the REIT and the Feeder Fund. The fee structures described herein may be modified from time to time.

The management fee is deducted from the REIT's assets. The Advisor's management fee is payable regardless of the performance of the REIT's portfolio and is not based upon any performance goals or metrics.

The management fee arrangement with respect to the REIT is detailed in the REIT's Governing Documents and disclosed to each investor prior to an investment in the REIT or Feeder Fund. At the discretion of the Advisor or LoanCore Manager, the management fee may be reduced, waived or modified. Current and prospective investors should refer to the applicable Governing Documents for complete information with respect to the management fee arrangements.

The Advisor from time to time enters into economic and/or other fee sharing arrangements with respect to the REIT and/or certain investors of the REIT and/or the Feeder Fund, the rights of which will not generally be made available to other investors.

Performance-Based Compensation

Under the Fund Documents for the Feeder Fund, LoanCore Manager is entitled to receive a certain percentage of any distributions made to limited partners (after a return of capital contributions and payment of a preferred return to limited partners).

The terms of the carried interest distribution to LoanCore Manager could incentivize the Advisor to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of the Funds (and their investors). For example, LoanCore Manager would be in a position to receive carried interest distributions earlier if profitable investments were liquidated prior to investments that were not profitable because, at the time proceeds from those profitable investments were realized, the Funds would generally not be required to first distribute capital to limited partners to make up for prior losses associated with unprofitable investments. Furthermore, the existence of the carried interest creates an incentive for LoanCore Manager to cause the Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. Notwithstanding the foregoing, the Fund Documents contain certain mitigating provisions to ensure that investors receive a return of capital plus a preferred return on a rolling basis, and the Advisor believes that it has implemented policies and procedures to mitigate such conflicts and align its interests with that of the Funds.

Other Fees and Expenses

The Funds are required to reimburse the Advisor or its affiliates for costs and expenses incurred by it and its affiliates on the Funds' behalf except those specifically required to be borne by the Advisor under the Fund Documents and the REIT Management Agreement. The Advisor is responsible for the salaries and other compensation of the personnel of the Advisor and its affiliates.

In accordance with the Fund Documents, the Funds are generally required to bear the following expenses:

- fees, costs and expenses in connection with the issuance and transaction costs incident to the acquisition, negotiation, structuring, trading, settling, disposition and financing of the Funds' investments and investments of the Funds' subsidiaries (whether or not consummated), including brokerage commissions, hedging costs, prime brokerage fees, custodial expenses, clearing and settlement charges, forfeited deposits, and other investment costs, fees and expenses actually incurred in connection with the pursuit, making, holding, settling, monitoring or disposing of actual or potential investments;
- fees, costs, and expenses of legal, tax, accounting, consulting, auditing, finance, administrative, investment banking, capital market and other similar services rendered to the Funds (including, where the context requires, by or through one or more third parties and/or affiliates of the Advisor) or, if provided by the Advisor's personnel or personnel of affiliates of the Advisor, in amounts that are no greater than those that would be payable to outside professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arm's-length basis;

- interest and fees and expenses arising out of borrowings made by the Funds, including, but not limited to, costs associated with the establishment and maintenance of any of the Funds' credit facilities, other financing arrangements, or other indebtedness of the Fund (including commitment fees, accounting fees, legal fees, closing and other similar costs) or any of the Funds' securities offerings;
- the Funds' allocable share of costs associated with technology-related expenses, including without limitation, any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors or affiliates of the Funds that is used solely for the Funds, technology service providers and related software/hardware utilized in connection with the Funds' investment and operational activities;
- the Funds' allocable share of expenses incurred by managers, officers, personnel and agents of the Advisor for travel on the Funds' behalf and other out-of-pocket expenses incurred by them in connection with the purchase, financing, refinancing, sale or other disposition of an investment or the establishment and maintenance of any securitizations or any of the Funds' securities offerings;
- the Funds' allocable share of costs and expenses incurred with respect to market information systems and publications, research publications and materials, including, without limitation, news research and quotation equipment and services;
- expenses of investor meetings and investor events, including the cost of lodging, tickets, ground transportation, food and beverages;
- expenses (such as food, beverage, lodging, conference tickets, travel expenses (including business and first class airfare and ground transportation)) associated with attendance of industry conferences;
- the cost and expenses related to gifts and entertainment (such as tickets to sporting events) for the Funds' borrowers, potential business leads and brokers;
- charitable donations (including cash donations and tickets to charitable events) in connection with fundraising sponsored or otherwise supported by the Funds' borrowers;
- the costs and expenses relating to ongoing regulatory compliance matters and regulatory reporting obligations relating to the Funds' activities;
- the costs of any litigation involving the Funds or their assets and the amount of any judgments or settlements paid in connection therewith, directors and officers, liability or other insurance and indemnification or extraordinary expense or liability relating to the Funds' affairs;
- all taxes and license fees;
- all insurance costs incurred in connection with the operation of the Funds' business except for the costs attributable to the insurance that the Advisor elects to carry for itself and its personnel;

- the Funds' allocable share of costs and expenses incurred in contracting with third parties, in whole or in part, on the Funds' behalf;
- all other costs and expenses relating to the Funds' business and investment operations, including, without limitation, the costs and expenses of acquiring, owning, protecting, maintaining, developing and disposing of investments, including appraisal, due diligence, reporting, audit and legal fees;
- any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise) against the Funds or any subsidiary, or against any director, trustee, partner, member or officer of the Funds or of any subsidiary in his capacity as such for which the Funds or any subsidiary is required to indemnify such director, trustee, partner, member or officer by any court or governmental agency; and
- all other expenses actually incurred by the Advisor (except as otherwise described above) which are reasonably necessary for the performance by the Advisor of its duties and functions under the REIT Management Agreement including expenses in connection with the formation of special purpose vehicles to be used in connection with the Funds' investment activities.

Allocation of Expenses

From time to time the Advisor will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Advisor on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. When the Advisor or its affiliates incur an expense that is clearly attributable to, or for the benefit of, only one Fund, then such expenses will be borne by such Fund. When expenses are incurred that benefit more than one of (i) the Advisor, (ii) the Clients, (iii) portfolio investments of the REIT, and (iv) third parties (each, an "Allocable Party"), the Advisor or its affiliate allocate such expenses in accordance with the Fund Documents or any agreement with any portfolio investment and, to the extent not addressed in such Fund Documents or such agreement with a portfolio investment, then in the sole and absolute discretion of the Advisor or its affiliates, in each case using its good faith and best judgment, taking into account such factors that it determines in its sole and absolute discretion to be relevant, notwithstanding its interest (if any) in the allocation. Such equitable methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by the Advisor in its sole discretion).

Item 6 – Performance-Based Fees and Side-By-Side Management

As described in Item 5 above, LoanCore Manager will receive performance-based compensation from the Feeder Fund.

See Item 5 above for potential conflicts of interest related to LoanCore Manager's receipt of performance-based compensation.

The Advisor and LoanCore Manager do not currently, but may in the future, manage another account for which they do not charge a performance-based fee, or charge different performance-based fees. In the case that the Advisor manages accounts that have different fee arrangements in place, the Advisor may have an incentive to favor clients that pay performance-based fees over clients that pay only asset-based fees (for example, in the context of allocating favorable investment opportunities among its clients).

Item 7 – Types of Clients

As noted in Item 4 above, the Advisor provides non-discretionary investment advice to the REIT, which is a Delaware limited liability company that operates as a real estate investment trust for U.S. federal income tax purposes, and LoanCore Manager serves as manager and director of the REIT and general partner of the Feeder Fund, which is a Delaware limited liability company.

Investors in the Funds consist primarily of sovereign wealth funds and highly sophisticated, high net worth investors. In general, the Advisor requires that each limited partner in the Funds be an "accredited investor" as defined in Regulation D under the Securities Act and, in most cases, a "qualified purchaser" as defined by the Investment Company Act. Admission to the Funds managed by the Advisor is not open to the general public.

The Advisor does not have a minimum size requirement for its Funds. Investors in the Funds are requested to refer to the Fund Documents of the applicable Fund for complete information on the minimum investment requirement for participation in that Fund. The stated minimum commitment for the Funds is \$1,000.

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

The following is a summary of (1) the strategies and methods of analysis that the Advisor uses in formulating advice or managing assets (and related material risks) for the Funds and (2) certain material risks associated with the types of securities that the Advisor primarily recommends to the Funds.

The information included in this Brochure does not include every potential risk associated with each investment strategy or security. Stockholders and prospective stockholders in the Funds are urged to review all risk factors applicable to a particular investment strategy or security, read all product-specific risk disclosures and determine whether a particular strategy or type of security is suitable for his/her/its own account in light of his/her/its circumstances, investment objectives and financial situation. Investing in securities involves risk of loss that stockholders should be prepared to bear.

Methods of Analysis and Investment Strategy

The Funds utilize the Advisor's network of experienced commercial mortgage loan originators to identify investment opportunities. For each investment opportunity, the Advisor's deal team (the "**Deal Team**") prepares an initial loan sizing, receive initial approval on proposed loan terms and structure from the Funds' management, receives preliminary pricing from the Funds' management, and, assuming the potential investment generally meets the Funds' credit and investment criteria, drafts a preliminary quote sheet for issuance to the borrower. In addition, the Deal Team submits property characteristics and preliminary loan terms and structure to the Funds' management for approval to issue a formal conditional commitment. The Deal Team then contacts outside counsel to prepare the conditional commitment and distribute it to the borrower.

Investments are priced based on market conditions. Then, using a proprietary model, the Deal Team confirms that the required pricing achieves the appropriate return on any given investment. Key model inputs include anticipated subordination levels, current credit spreads and relevant property and investment metrics, including asset type, property class, underwritten cash flow, property valuation, investment amount, investment term and amortization type. Model assumptions and pricing methodology are constantly adjusted based on prevailing market conditions, investor sentiment and activity and portfolio allocations and concentrations at the time of pricing.

Upon receipt of an executed conditional commitment and an expense deposit, the Deal Team commences full due diligence. Concurrently with the due diligence process, the Deal Team structures the proposed investment and prepare a memorandum for the Credit Committee.

The Funds' investments are generally originated or acquired in accordance with specific underwriting criteria as set forth in the Fund Documents. However, variations from these guidelines may be implemented as a result of various conditions. The credit underwriting process for each investment is performed by the local originator and his or her deal team. This team is required to conduct a thorough review of the underlying property, which typically includes an examination of historical operating statements, rent rolls, tenant leases, current and historical real estate tax information, insurance policies and/or schedules, and third-party reports pertaining to appraisal/valuation, zoning, environmental status and physical condition/seismic/engineering.

A member of the Deal Team is required to perform an inspection of the property as well as a review of the surrounding market area, including demand generators and competing properties, in order to confirm tenancy information, assess the physical quality of the collateral, determine visibility and access characteristics and evaluate the property's competitiveness within its market. The Deal Team, along with an affiliated or unaffiliated third-party provider engaged by the Funds, also performs a detailed review of the financial status, credit history and background of the borrower and certain key principals through financial statements, income tax returns, credit reports, background investigations and specific searches for judgments, liens, bankruptcy and pending litigation. Circumstances

may also warrant an examination of the financial strength and credit of key tenants as well as other factors that may impact the tenants' ongoing occupancy or ability to pay rent. The Deal Team's review also includes an evaluation of relative valuation, comparable analysis, supply and demand trends, shape of yield curves, delinquency and default rates, recovery of various sectors and vintage of collateral.

After the compilation and review of all documentation and other relevant considerations, the Deal Team finalizes its detailed underwriting analysis of the property's cash flow in accordance with the Funds' property-specific cash flow underwriting guidelines. Determinations will be made regarding the implementation of appropriate loan terms to structure in a manner to mitigate risks, which may result in features such as ongoing escrows or upfront reserves, letters of credit, lockboxes/cash management or guarantees. Among other requirements, nearly all of the Funds' loans require borrowers to purchase LIBOR caps to hedge against rising interest rates. As part of the underwriting process, the Advisor typically obtains property assessments and reports.

Following the completion of due diligence, the Deal Team prepares a memorandum summarizing its due diligence findings and presents it to the Credit Committee. The Credit Committee reviews, among other things, property details, market fundamentals, borrower creditworthiness, investment structure, cash flow underwriting and deal risks and mitigating factors prior to issuing an approval for funding. The Advisor's investment advice is based on prevailing market conditions and may change over time in response to opportunities available in different interest rate, economic and credit environments.

The Credit Committee evaluates investment opportunities based on stringent investment criteria including: (1) asset quality; (2) strong, sustainable cash flow profiles; (3) well-capitalized sponsorship; (4) strong market fundamentals with favorable demographics; (5) securely structured transactions with appropriate protective covenants; (6) favorable distribution strategies; (7) balanced portfolio composition and risk diversification; (8) impact on maintaining the REIT's qualification as a real estate investment trust and its exclusion from registration under the Investment Company Act; (9) general compliance with the Funds' underwriting guidelines and procedures; and (10) compliance with the Fund's investment guidelines. Investment approval requires majority approval by members of the Credit Committee.

The Funds focus on originating and selectively acquiring commercial mortgage loans that are secured or otherwise supported by institutional quality commercial real estate located in in-fill locations that the Funds generally intend to hold for long-term investment. The Advisor builds upon the Funds' competitive strengths to grow its business through the following investment strategies:

- *Capitalize on Demand for Commercial Real Estate Financing.* The Advisor seeks to capitalize on the opportunity created by the confluence of two major themes: (1) the constrained supply of commercial real estate debt capital due to retrenchment by commercial banks and other large commercial lenders since 2007 and (2) the expected demand from borrowers for new financing in the commercial real estate sector.

- *Originate and Selectively Acquire Additional Commercial Mortgage Loans and Other Commercial Real Estate-Related Assets.* The Advisor seeks to grow the Funds' lending business by continuing to originate and selectively acquire additional commercial mortgage loans and other commercial real estate-related assets, which the Funds generally hold for long-term investment. Under current market conditions, the Advisor focuses the Funds' investments primarily on floating rate first mortgage loans with principal balances under \$100 million that are generally secured or otherwise supported by high quality properties or properties in attractive geographic locations.

- *Focus on Major Metropolitan Markets.* Using the Advisor's network of experienced commercial mortgage loan originators strategically located in major markets across the United States, including Greenwich, Los Angeles, San Francisco, Orange County, Chicago and Atlanta, the Advisor focuses geographically on markets in the United States, primarily in major metropolitan areas that exhibit favorable long-term demographics, including in California and New York. The Funds also focus on the opportunities presented in regions in Europe where there is minimal availability of debt capital and limited transactional volume, though real estate fundamentals are stable.

- *Utilize LoanCore's Expertise to Build upon Existing Relationships and Identify Attractive Opportunities.* The Advisor, including its senior management team, has a broad history in the commercial real estate finance industry, resulting in extensive relationships with owners, managers and operators of commercial real estate in the United States and in Europe. In addition, the Advisor maintains long-standing relationships in the investment banking and mortgage brokerage communities, which the Funds believe generate substantial deal flow for their business. The Advisor seeks to build upon these relationships to capitalize on current market opportunities in order to grow the Funds' business. As market conditions evolve over time, the Funds expect that the Advisor will advise the Funds to adjust and evolve their investment strategies to adapt to such market changes. The Funds believe that their current target assets provide significant investment opportunities for attractive returns. However, the Advisor may focus on and target investment opportunities that are most attractive for the Funds at the particular stage in the economic and real estate investment cycle at a given time.

The Funds finance their investments over time with various types of borrowings, including, but not limited to, bank credit facilities (including term loans and revolving facilities), repurchase agreements and facilities (including master repurchase facilities), warehouse facilities and structured financing and derivative instruments, in addition to transaction or asset-specific funding arrangements. The Funds may also issue additional equity, equity-related and debt securities to fund their investment strategies.

Subject to maintaining the REIT's qualification as a real estate investment trust, the Funds may, from time to time, engage in hedging transactions that seek to mitigate the effects of fluctuations in interest rates or currencies and their effects on the Funds' operating results and cash flows.

Target Assets

The Funds invest primarily in commercial mortgage loans and other commercial real estate-related assets, focusing on loans secured by properties primarily in the office, mixed use, multifamily, industrial, retail, hospitality, self-storage and manufactured housing real estate sectors in the United States and, to a lesser extent, in Europe, including, but not limited to, the following:

- *Commercial Mortgage Loans.* The Funds focus on originating and selectively acquiring mortgage loans that are backed by commercial properties. Mortgage loans are generally secured by a first mortgage lien on a commercial property, may vary in duration, may bear interest at a fixed or floating rate, and may amortize and typically require a balloon payment of principal at maturity. These loans may encompass a whole loan or may also include *pari passu* participations within such a mortgage loan.

- *Other Commercial Real Estate-Related Assets.* Although originating and selectively acquiring commercial mortgage loans is the Funds' primary area of focus, they also opportunistically originate and selectively acquire other commercial real estate-related assets, subject to the REIT maintaining its qualification as a real estate investment trust, including, but not limited to, the following:

- mezzanine loans: loans made to commercial property owners that are secured by pledges of the borrower's ownership interests, in whole or in part, in entities that directly or indirectly own the property, such loans being subordinate to whole mortgage loans secured by first or second mortgage liens on the property itself;

- subordinate mortgage interests: interests, often referred to as "B Notes," in loans secured by a first mortgage on a single large commercial property or group of related commercial properties and that are subordinated in right of payment to a senior interest in such loans;

- preferred equity: investments in an entity that are subordinate to any debt of such entity, but senior to such entity's common equity;

- construction or rehabilitation loans: mortgage loans and mezzanine loans to finance the cost of construction or rehabilitation of a commercial property;

- net leases / sale-leaseback transactions: commercial properties subject to net leases, which typically have longer terms than gross leases, require tenants to pay substantially all of the operating costs associated with the properties and often have contractually-specified rent increases throughout their term as well as renewal terms at the option of the tenant; the Funds may acquire these properties through sale-leaseback transactions, which involve the purchase of a property and the leasing of such property back to the seller thereof;

- participating debt: debt investments that participate in equity ownership;

- commercial real estate corporate debt: corporate bonds of commercial real estate operating or finance companies and corporate bank debt, which may be in the form of a

term loan or a revolving credit facility that is often secured by the company's assets or equity in subsidiaries;

- real estate securities: interests in real estate, which may take the form of commercial mortgage-backed securities ("CMBS") or collateralized loan obligations, ("CLOs"), that are collateralized by pools of commercial real estate debt instruments, often first mortgage loans; and

- miscellaneous assets: other commercial real estate-related assets, if necessary, to maintain the REIT's qualification as a real estate investment fund for U.S. federal income tax purposes or its exclusion from regulation under the Investment Company Act.

Certain of the Funds' investments have been, and may in the future be, acquired from "LCM" (an entity advised by an affiliate of the Advisor, as described further in Item 10), as disclosed to Fund investors in the Fund Documents.

Certain Related Risks

Commercial real estate debt assets that are secured, directly or indirectly, by commercial property are subject to delinquency, foreclosure and loss, which could materially and adversely affect the Funds

Commercial real estate debt assets, such as mortgage loans, mezzanine loans and preferred equity, that are secured or, in the case of certain assets (including mezzanine loans and preferred equity), that are supported by commercial property are subject to risks of delinquency and foreclosure and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. The ability of a borrower to pay the principal of and interest on a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to pay the principal of and interest on the loan in a timely manner, or at all, may be impaired and therefore could reduce the Funds' return from an affected property or investment, which could materially and adversely affect the Funds. Net operating income of an income-producing property may be adversely affected by the risks particular to real property described above, as well as, among other things:

- tenant mix and tenant bankruptcies;
- success of tenant businesses;
- property management decisions, including with respect to capital improvements, particularly in older building structures;
- property location and condition;
- competition from comparable types of properties;

- changes in specific industry segments;
- declines in regional or local real estate values or rental or occupancy rates; and
- increases in interest rates, real estate tax rates and other operating expenses.

In the event of any default under a mortgage loan held directly by the Funds, the Funds will bear a risk of loss to the extent of any deficiency between the value of the collateral and the principal of and accrued interest on the mortgage loan. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to that borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Foreclosure of a mortgage loan can be an expensive and lengthy process that could have a substantial negative effect on any anticipated return on the foreclosed mortgage loan.

Interest rate fluctuations could significantly decrease the Funds' ability to generate income on its investments, which could materially and adversely affect the Funds

The Funds' primary interest rate exposure relates to the yield on their investments and the financing cost of their debt, as well as its interest rate swaps that they may utilize for hedging purposes. Changes in interest rates affect the Funds' net income from investments, which is the difference between the interest and related income they earn on their interest-earning investments and the interest and related expense the Funds incur in financing these investments. Interest rate fluctuations that result in the Funds' interest and related expense exceeding interest and related income would result in operating losses for the Funds. Changes in the level of interest rates also may affect the Funds' ability to originate or acquire investments and may impair the value of the Funds' investments and their ability to realize gains from the disposition of assets. Changes in interest rates may also affect borrower default rates.

The Funds' operating results depend, in part, on differences between the income earned on their investments, net of credit losses, and its financing costs. For any period during which the Funds' investments are not match-funded, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of the Funds' borrowings. Consequently, changes in interest rates, particularly short-term interest rates, could materially and adversely affect the Funds.

Prepayment rates may adversely affect the value of the Funds' investment portfolio

Prepayment rates may adversely affect the value of the Funds' investment portfolio. Prepayment rates on the Funds' investments, where contractually permitted, are influenced by changes in current interest rates, significant improvement in the performance of underlying real estate assets and a variety of economic, geographic and other factors beyond the Funds' control. The Funds invest in loans and other assets secured or, in the case of certain assets (including mezzanine loans and preferred equity),

supported by transitional real estate assets and significant improvement in the performance of such assets may result in prepayments as other financing alternatives become available to the borrower. Consequently, prepayment rates cannot be predicted with certainty and no strategy can completely insulate the Funds from increases in such rates. In periods of declining interest rates, prepayments on investments generally increase and the proceeds of prepayments received during these periods may generally be reinvested by the Funds in comparable assets at reduced yields. In addition, the market value of investments subject to prepayment may, because of the risk of prepayment, benefit less than other fixed-income securities from declining interest rates. Conversely, in periods of rising interest rates, prepayments on investments, where contractually permitted, generally decrease, in which case the Funds would not have the prepayment proceeds available to invest in comparable assets at higher yields. Furthermore, the Funds may acquire assets at a discount or premium and the Funds' anticipated yield would be impacted if such assets prepay more quickly than anticipated. Under certain interest rate and prepayment scenarios, the Funds may fail to recoup fully their cost of certain investments. In a limited number of investments, the Funds may be entitled to fees upon their prepayment although no assurance can be given that such fees will adequately compensate them as the functional equivalent of a "make whole" payment. Furthermore, the Funds may not be able to structure future investments to impose a make whole obligation upon a borrower in the case of an early prepayment.

The Funds' investment portfolio may be concentrated by region, and may be concentrated by asset or property type, increasing the Funds' risk of loss if there are adverse developments or greater risks affecting the particular concentration

The Funds' investment portfolio may be concentrated by geographic region, and may be concentrated in the future by asset or property type, increasing its risk of loss if there are adverse developments or greater risks affecting the particular concentration. Adverse conditions in the areas where the properties securing or otherwise underlying the Funds' investments are located (including business layoffs or downsizing, industry slowdowns, changing demographics and other factors) and local real estate conditions (such as oversupply or reduced demand) may have an adverse effect on the value of the Funds' investments. A material decline in the demand for real estate or the demand or ability of tenants to pay rent in these geographic regions may materially and adversely affect the Funds.

A lack of liquidity in certain of the Funds' investments may materially and adversely affect the Fund

A lack of liquidity in certain of the Funds' investments may make it difficult for it to sell such assets if the need or desire arises. Certain investments that the Funds make or may make, such as mortgage loans, B Notes, mezzanine and other loans (including participations) and preferred equity, in particular, are relatively illiquid investments due to their short life and the less likely recovery of their principal and their expected yield in the event of a borrower's default. In addition, certain of the Funds' investments may become less liquid after the Funds' investment as a result of periods of delinquencies or defaults or

turbulent market conditions, which may make it more difficult for the Funds to dispose of such investments at advantageous times or in a timely manner. Moreover, many of the Funds' investments are not registered under the relevant securities laws, resulting in prohibitions against their transfer, sale, pledge or their disposition except in transactions that are exempt from registration requirements or are otherwise in accordance with such laws. As a result, many of the Funds' investments are or will be illiquid, and if the Funds are required to liquidate all or a portion of their portfolio quickly, for example as a result of margin calls, it may realize significantly less than the value at which the Funds had previously recorded their investments.

Most of the commercial mortgage loans that the Funds originate or acquire are nonrecourse loans and the assets securing these loans may not be sufficient to protect them from a partial or complete loss if the borrower defaults on the loan, which could materially and adversely affect the Funds

Except for customary nonrecourse carve-outs for certain actions and environmental liability, most commercial mortgage loans are effectively nonrecourse obligations of the sponsor and borrower, meaning that there is no recourse against the assets of the borrower or sponsor other than the underlying collateral. In the event of any default under a commercial mortgage loan held directly by the Funds, they will bear a risk of loss to the extent of any deficiency between the value of the collateral and the principal of and accrued interest on the mortgage loan, which could materially and adversely affect the Funds. Even if a commercial mortgage loan is recourse to the borrower (or if a nonrecourse carve-out to the borrower applies), in most cases, the borrower's assets are limited primarily to its interest in the related mortgaged property. Further, although a commercial mortgage loan may provide for limited recourse to a principal or affiliate of the related borrower, there is no assurance that any recovery from such principal or affiliate will be made or that such principal's or affiliate's assets would be sufficient to pay any otherwise recoverable claim. In the event of the bankruptcy of a borrower, the loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law.

The Funds' origination or acquisition of construction loans expose them to an increased risk of loss

The Funds originate or acquire construction loans. If the Funds fail to fund their entire commitment on a construction loan or if a borrower otherwise fails to complete the construction of a project, there could be adverse consequences associated with the loan, including: a loss of the value of the property securing the loan, especially if the borrower is unable to raise funds to complete construction from other sources; a borrower claim against the Funds for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan. As described below, the process of foreclosing on a property is time-consuming, and the Funds may incur

significant expense if they foreclose on a property securing a loan under these or other circumstances.

Risks of cost overruns and non-completion of the construction or renovation of the properties underlying loans the Funds originate or acquire could materially and adversely affect them

The renovation, refurbishment or expansion by a borrower of a mortgaged property involves risks of cost overruns and non-completion. Costs of construction or renovation to bring a property up to standards established for the market intended for that property may exceed original estimates, possibly making a project uneconomical. Other risks may include: environmental risks, permitting risks, other construction risks and subsequent leasing of the property not being completed on schedule or at projected rental rates. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged impairment of net operating income and may not be able to make payments of interest or principal to the Funds, which could materially and adversely affect the Funds.

Any investments the Funds make in CMBS, CLOs, collateralized debt obligations, or CDOs, and other similar structured finance investments would pose additional risks

The Funds intend to invest in CMBS, CLOs, CDOs and other similar structured finance investments, which are subordinated classes of securities in a structure of securities secured by a pool of mortgages or loans. Such securities are the first or among the first to bear the loss upon a restructuring or liquidation of the underlying collateral and the last to receive payment of interest and principal. Thus, there is generally only a nominal amount of equity or other debt securities junior to such positions, if any, issued in such structures. The estimated fair values of such subordinated interests tend to be much more sensitive to adverse economic downturns and underlying borrower developments than more senior securities. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality CMBS, CLOs or CDOs because the ability of borrowers to make principal and interest payments on the mortgages or loans underlying such securities may be impaired, as has occurred throughout the recent economic recession and weak recovery.

Subordinate interests such as CLOs, CDOs and similar structured finance investments generally are not actively traded and are relatively illiquid investments and volatility in CLO and CDO trading markets may cause the value of these investments to decline. In addition, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with the trust or other conduit arrangement for such securities, the Funds may incur significant losses.

With respect to the CMBS, CLOs and CDOs in which the Funds intend to invest, control over the related underlying loans will be exercised through a special servicer or collateral manager designated by a “directing certificateholder” or a “controlling class representative,” or otherwise pursuant to the related securitization documents. The Funds may acquire classes of CMBS, CLOs or CDOs, for which it may not have the right to appoint

the directing certificateholder or otherwise direct the special servicing or collateral management. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could materially and adversely affect the Funds' interests.

The Funds originate or acquire interim loans, which will expose it to an increased risk of loss

The Funds originate or acquire interim loans secured by first lien mortgages on commercial real estate that provide interim financing to borrowers seeking short-term capital for the acquisition or transition (e.g., lease up and/or rehabilitation) of commercial real estate generally having a maturity of three years or less. Such a borrower under an interim loan has usually identified a transitional asset that has been under-managed and/or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management and/or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the interim loan, and the Funds will bear the risk that they may not recover some or all of their initial expenditure.

In addition, borrowers usually use the proceeds of a long-term mortgage loan to repay an interim loan. The Funds may therefore be dependent on a borrower's ability to obtain permanent financing to repay an interim loan, which could depend on market conditions and other factors. Interim loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under interim loans held by the Funds, they will bear the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the interim loan.

The Funds may finance first mortgage loans, which may present greater risks than if they had made first mortgages directly to owners of real estate collateral

The Funds' portfolio may include first mortgage loan financings, which are loans made to holders of mortgage loans that are secured by commercial real estate. While the Funds will have certain rights with respect to the real estate collateral underlying a first mortgage loan, the holder of the commercial real estate first mortgage loans may fail to exercise its rights with respect to a default or other adverse action relating to the underlying real estate collateral or fail to promptly notify the Funds of such an event, which would adversely affect the Funds' ability to enforce their rights. In addition, in the event of the bankruptcy of the borrower under the first mortgage loan, the Funds may not have full recourse to the assets of the holder of the commercial real estate loan, or the assets of the holder of the commercial real estate loan may not be sufficient to satisfy the Funds' first mortgage loan financing. Accordingly, the Funds may face greater risks from their first mortgage loan financings than if they had made first mortgage loans directly to owners of real estate collateral.

Investments in non-conforming and non-investment grade rated investments involve an increased risk of default and loss

The Funds' investments may not conform to conventional loan standards applied by traditional lenders. In addition, certain of the investments in the Funds' portfolio upon the completion of their offering are not, and the Funds' future investments may not be, rated as investment grade by the rating agencies (including investments not rated at all as is often the case for private loans). As a result, these investments should be expected to have an increased risk of default and loss than investment-grade rated assets. Any loss the Funds incur may be significant and may materially and adversely affect the Funds. The Funds' investment guidelines do not limit the percentage of unrated or non-investment grade rated assets the Funds may hold in their portfolio.

Any credit ratings assigned to the Funds' investments will be subject to ongoing evaluations and revisions and the Funds cannot assure that those ratings will not be downgraded

Some of the Funds' investments are or may be rated by rating agencies such as Moody's Investors Service, Inc., Fitch Ratings, Inc., Standard & Poor's Ratings Services, Morningstar, Inc., DBRS Limited, Morningstar Credit Ratings, LLC or Kroll, Inc. Any credit ratings on the Funds' investments are subject to ongoing evaluation by credit rating agencies, and the Funds cannot assure investors that any such ratings will not be downgraded or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. If rating agencies assign a lower-than-expected rating or reduce or withdraw, or indicate that they may reduce or withdraw, their ratings of the Funds' investments in the future, the value and liquidity of the Funds' investments could significantly decline, which would adversely affect the value of the Funds' investment portfolio and could result in losses upon disposition or the failure of borrowers to satisfy their debt service obligations to the Funds.

The Funds may invest in derivative instruments, which would subject them to increased risk of loss

Subject to maintaining the REIT's qualification as a real estate investment trust, the Funds may invest in derivative instruments. Derivative instruments, especially when purchased in large amounts, may not be liquid in all circumstances, so that in volatile markets the Funds may not be able to close out a position without incurring a loss. The prices of derivative instruments, including swaps, futures, forwards and options, are highly volatile and such instruments may subject the Funds to significant losses. The value of such derivatives also depends upon the price of the underlying instrument or commodity. Such derivatives and other customized instruments also are subject to the risk of non-performance by the relevant counterparty. In addition, actual or implied daily limits on price fluctuations and speculative position limits on the exchanges or over-the-counter markets in which the Funds may conduct their transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Funds to the potential of greater losses. Derivative instruments that may be purchased or sold by the Funds may include instruments not traded on an exchange. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which the Funds can dispose of or enter into closing

transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are traded over-the-counter and not on an exchange. Such over-the-counter derivatives are also typically not subject to the same type of investor protections or governmental regulation as exchange-traded instruments.

In addition, the Funds may invest in derivative instruments that are neither presently contemplated nor currently available, but which may be developed in the future, to the extent such opportunities are both consistent with their investment objectives and legally permissible. Any such investments may expose the Funds to unique and presently indeterminate risks, the impact of which may not be capable of determination until such instruments are developed and/or the Funds determine to make such an investment.

Any distressed investments the Funds make, or investments that later become non-performing, may subject the Funds to losses and other risks relating to bankruptcy proceedings, which could materially and adversely affect the Funds

While the Funds currently focus primarily on performing investments, they may also make distressed investments (e.g., investments in defaulted, out-of-favor or distressed bank loans and debt securities) or certain of their investments may become non-performing following the Funds’ acquisition thereof. Certain of the Funds’ investments may include properties that typically are highly leveraged, with significant burdens on cash flow and, therefore, involve a high degree of financial risk. During an economic downturn or recession, loans or securities of financially or operationally troubled borrowers or issuers are more likely to go into default than loans or securities of other borrowers or issuers. Loans or securities of financially or operationally troubled issuers are less liquid and more volatile than loans or securities of borrowers or issuers not experiencing such difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. Investment in the loans or securities of financially or operationally troubled borrowers or issuers involves a high degree of credit and market risk.

In certain limited cases (e.g., in connection with a workout, restructuring or foreclosure proceeding involving one or more of the Funds’ investments), the success of the Funds’ investment strategies with respect thereto will depend, in part, on the Funds’ ability to effectuate loan modifications and/or restructure and improve the operations of the Funds’ borrowers. The activity of identifying and implementing successful restructuring programs and operating improvements entails a high degree of uncertainty. There can be no assurance that the Funds will be able to identify and implement successful restructuring programs and improvements with respect to any distressed investments they may have from time to time.

These financial difficulties may never be overcome and may cause borrowers to become subject to bankruptcy or other similar administrative proceedings. There is a possibility that the Funds may incur substantial or total losses on their investments and, in certain circumstances, become subject to certain additional potential liabilities that may exceed

the value of the Funds' original investment therein. For example, under certain circumstances, a lender that has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In any reorganization or liquidation proceeding relating to the Funds' investments, the Funds may lose their entire investment, may be required to accept cash or securities with a value less than the Funds' original investment and/or may be required to accept different terms, including payment over an extended period of time. In addition, under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, bankruptcy laws and similar laws applicable to administrative proceedings may delay the Funds' ability to realize on collateral for loan positions held by it, may adversely affect the economic terms and priority of such loans through doctrines such as equitable subordination or may result in a restructuring of the debt through principles such as the "cramdown" provisions of the bankruptcy laws. Any of the foregoing results could materially and adversely affect the Funds.

The Funds may need to foreclose on certain of the loans they originate or acquire, which could result in losses that materially and adversely affect the Funds

The Funds may find it necessary or desirable to foreclose on certain of the loans they originate or acquire, and the foreclosure process may be lengthy and expensive. Whether or not the Funds have participated in the negotiation of the terms of any such loans, they cannot assure investors as to the adequacy of the protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of the Funds' rights. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the Funds, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy-out of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and potentially resulting in a reduction or discharge of a borrower's debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value. Even if the Funds are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover the Funds' cost basis in the loan, resulting in a loss to the Funds. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss. The incurrence of any such losses could materially and adversely affect the Funds.

The Funds may experience a decline in the fair value of investments they may make in securities and loans, which could materially and adversely affect the Funds

A decline in the fair value of investments the Funds may make in securities, such as CMBS, may require the Funds to recognize an “other-than-temporary” impairment against such assets under GAAP if the Funds were to determine that, with respect to any assets in unrealized loss positions, they do not have the ability and intent to hold such assets to maturity or for a period of time sufficient to allow for recovery to the original acquisition cost of such assets. If such a determination were to be made, the Funds would recognize unrealized losses through earnings and write down the amortized cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be other-than-temporarily impaired. Such impairment charges reflect non-cash losses at the time of recognition. The subsequent disposition or sale of such assets could further affect the Funds’ future losses or gains, as they are based on the difference between the sale price received and adjusted amortized cost of such assets at the time of sale. If the Funds experience a decline in the fair value of their investments, it could materially and adversely affect the Funds.

Insurance proceeds on a property may not cover all losses, which could result in the corresponding non-performance of or loss on the Funds’ investment related to such property

There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might result in insurance proceeds that are insufficient to repair or replace a property if it is damaged or destroyed. Under these circumstances, the insurance proceeds received with respect to a property relating to one of the Funds’ investments might not be adequate to restore the Funds’ economic position with respect to their investment. Any uninsured loss could result in the corresponding non-performance of or loss on the Funds’ investment related to such property.

Liability relating to environmental matters may impact the value of properties that the Funds may acquire upon foreclosure of the properties underlying the Funds’ investments

To the extent the Funds foreclose on properties underlying their investments, the Funds may be subject to environmental liabilities arising from such foreclosed properties. Under various U.S. federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. If the Funds foreclose on any properties underlying their investments, the presence of hazardous substances on a property may adversely affect the Funds’ ability to sell the property and the Funds may incur substantial remediation costs. As a result, the discovery of material environmental liabilities attached to such properties could materially and adversely affect the Funds.

The Funds may be subject to lender liability claims, and if the Funds are held liable under such claims, they could be subject to losses

In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or stockholders. The Funds cannot assure prospective investors that such claims will not arise or that they will not be subject to significant liability and losses if a claim of this type were to arise.

The Funds’ use of leverage may create a mismatch with the duration and index of the investments that the Funds are financing

The Funds generally structure their leverage such that they minimize the difference between the term of their investments and the leverage they use to finance such an investment. In the event that the Funds’ leverage is for a shorter term than the financed investment, they may not be able to extend or find appropriate replacement leverage and that would have an adverse impact on the Funds’ liquidity and its returns. In the event that the Funds’ leverage is for a longer term than the financed investment, they may not be able to repay such leverage or replace the financed investment with an optimal substitute or at all, which would negatively impact the Funds’ desired leveraged returns.

The Funds attempt to structure their leverage such that they minimizes the difference between the index of their investments and the index of their leverage (i.e., financing floating rate investments with floating rate leverage and fixed rate investments with fixed rate leverage). If such a product is not available to the Funds from their lenders on reasonable terms, the Funds may use hedging instruments to effectively create such a match. For example, in the case of future fixed rate investments, the Funds may finance such an investment with floating rate leverage, but effectively convert all or a portion of the attendant leverage to fixed rate using hedging strategies.

The Funds’ attempts to mitigate such risk are subject to factors outside their control, such as the availability to them of favorable financing and hedging options, which is subject to a variety of factors, of which duration and term matching are only two. The risks of a duration mismatch are magnified by the potential for the extension of loans in order to maximize the likelihood and magnitude of their recovery value in the event the loans experience credit or performance challenges. Employment of this asset management practice would effectively extend the duration of the Funds’ investments, while the Funds’ liabilities have set maturity dates.

Qualifying as a real estate investment trust involves highly technical and complex provisions of the Internal Revenue Code

Qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code for which only limited judicial and

administrative authorities exist. Even a technical or inadvertent violation could jeopardize the REIT's real estate investment trust qualification. The REIT's qualification as a real estate investment trust depends on its satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. In addition, the REIT's ability to satisfy the requirements to qualify as a real estate investment trust depends in part on the actions of third parties over which it has no control or only limited influence, including in cases where the REIT owns an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes.

Market Disruption, Health Crises, Terrorism and Geopolitical Risk

A Fund is subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of a Fund's investments. War, terrorism and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political and health conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Fund's investments. At such times, a Fund's exposure to a number of other risks described elsewhere in this section can increase.

Cybersecurity Risk

The Advisor, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of the Advisor and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Advisor and the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Advisor's systems to disclose sensitive information in order to gain access to the Advisor's data or that of the Funds' investors. A successful penetration or circumvention of the security of the Advisor's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Advisor or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Advisor may incur substantial costs related to forensic analysis of the

origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation.

Similar types of operational and technology risks are also present for the companies in which the Funds invests, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Tax Reform Risks

President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the "**Code**") on December 22, 2017 (the "**Tax Act**"). There are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their investors. In addition, although not free from doubt, the Tax Act subjects allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of carried interest. Enactment of this legislation could cause the Advisor's investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for the Advisor to incentivize, attract and retain these professionals, which may have an adverse effect on the Advisor's ability to achieve the investment objectives of the Funds. In addition, this can create a conflict of interest as the tax position of the Advisor may differ from the tax positions of the Funds and/or the investors and therefore, these rules may have an additional impact on the investment decisions made by the Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the Tax Act gives the Advisor an incentive to cause a Fund to hold an investment for longer than 3 years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than 3 years.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of the Advisor, service providers to the Advisor or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such

Funds. The Advisor has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Advisor will be able to identify or prevent such misconduct.

Coronavirus Outbreak Risks

The recent global outbreak of the 2019 novel coronavirus (“**COVID-19**”), together with resulting restrictions on travel and quarantines imposed, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is likely to contribute to market volatility and is also likely to lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may reduce real estate activity more generally and materially and adversely affect the Funds and their portfolio investments. The COVID-19 outbreak may adversely affect the Funds’ ability to dispose their investments as buyers retrench from pursuing investment opportunities due to the prolonged economic uncertainty. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that the Funds and their portfolio companies have entered into, which could ultimately work to their detriment. To the extent an epidemic, including COVID-19, is present in jurisdictions in which the Advisor has offices or other operations or investments, it could affect the ability of the Advisor to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the Funds’ investment strategies and objectives. In addition, in response to the COVID-19 outbreak, several industry conference sponsors and venues have suspended or cancelled events due to concerns over the spread of COVID-19. Events have also been impacted by the implementation of U.S. federal and state and non-U.S. governmental actions, as well as voluntary and involuntary travel restrictions. Attendance by the Advisor, its employees and affiliates at industry conferences and events is an important component of the Advisor’s investment-sourcing strategy. Private and governmental efforts to prevent the further spread of COVID-19 through travel restrictions and cancellation or suspension of industry events may adversely affect the Advisor’s ability to source potential investment opportunities for the Funds and to gain meaningful insights in order to properly evaluate the risk/reward potential of investing in a particular industry sector or market. The Funds and their portfolio companies may also suffer losses and other adverse impacts if travel and other COVID-19-related disruptions continue for an extended period of time. In addition, the Advisor’s personnel and personnel of critical service providers to the Advisor or the Funds may be directly impacted by the spread of COVID-19, both through direct exposure (the likelihood of which can increase due to the frequency of travel) and exposure to family members, which could impair the Advisor’s ability to satisfy its obligations to the Funds, their investors, and pursuant to applicable law. The spread of COVID-19 among the Advisor’s personnel has the potential to significantly affect the Advisor’s ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), resulting in the possibility of temporary or permanent suspension of a Fund’s investment activities or operation.

Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as the Advisor to disclose legal or disciplinary events involving the firm or its partners, officers, or principals that are material to the evaluation of its advisory business or the integrity of its management. The Advisor has no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

The Advisor has a number of material relationships with its affiliates and other industry participants, and various potential and actual conflicts of interest may arise from the investment activities of the Advisor and those persons. The following briefly summarizes those relationships and the material conflicts associated with those relationships, but is not intended to be an exclusive list of all such conflicts.

Yellow Brick Real Estate Capital I MM, LLC (“**Yellow Brick MM**”), advises the Yellow Brick Real Estate Capital I, LLC (the “**Yellow Brick Fund**”), a private investment fund which, like the Funds, originates, invests in and manages commercial mortgage loans and other commercial real estate-related assets. Yellow Brick MM is principally owned by LoanCore Capital, and Yellow Brick Fund’s sole investor is an institutional investor. An affiliate of the institutional investor is also an investor in the Feeder Fund.

An affiliate of the Advisor and Yellow Brick MM, LoanCore HY Manager I, LLC (“**LoanCore HY**”)¹, manages a separate account (the “**LoanCore Separate Account**”, and, together with the Yellow Brick Fund and any clients advised by the Advisor or an affiliate in the future, the “**Other Clients**”)) that have investment objectives and strategies that are substantially similar or otherwise related to the Yellow Brick Fund. The investment periods of the Yellow Brick Fund and the LoanCore Separate Account have expired.

LoanCore Capital Markets LLC (“**LCM**”), a real estate debt management company, is owned indirectly by a principal of the Advisor through a joint venture arrangement. LCM may, in certain circumstances and subject to any conditions set forth in the Fund Documents of the Funds, provide real estate financing through an affiliated company to underlying borrowers from investments by the Funds.

The Funds’ officers and the officers and other personnel of the Advisor, serve as officers, directors, members or partners of the Advisor and its affiliates, including, without limitation, the Other Clients and LCM. Accordingly, the ability of the Advisor and its officers and other personnel, including the Funds’ chairman and executive officers, to engage in other business activities may reduce the time they spend managing the Funds’ business. In addition, officers and other personnel of the Advisor will have obligations to Other Clients, LCM and their respective investors and owners, the fulfillment of which might not be in the best interests of the Funds or their investors. In addition, it is expected that employees of the Advisor responsible for managing the Funds will, in the future, have responsibilities

¹ LoanCore HY’s sole member is LoanCore Capital.

with respect to funds raised in the future or to proprietary investments made by the Advisor and/or its principals of the type made by the Funds. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

Mr. Finerman and Mr. McCormack each has an employment agreement with LCM, the terms of which will require such officer to devote substantially all of his business time collectively to the management of LCM and LoanCore Capital's asset management business, including any business conducted by the Funds, provided that such officer devotes sufficient business time reasonably necessary to implement LCM's annual business plan. The Fund Documents also contain commitment requirements for Mr. Finerman (in terms of his time commitment to the Funds and LCM).

Officers, principals, employees and other related persons of the Advisor, LoanCore Capital and their affiliates may make capital investments in or alongside certain Funds, Other Clients and/or LCM and therefore have additional conflicting interests in connection with these investments.

The Advisor currently does not have more than one client³. However, as noted above in this Item 10, its affiliate Yellow Brick MM, advises the Yellow Brick Fund, its affiliate LoanCore HY advises a LoanCore Separate Account and personnel of the Advisor participate in the LCM joint venture. At this time, LCM is the only other investment vehicle with which the Advisor or its personnel is actively involved (besides the Funds) that is currently seeking new investments (excluding follow-on investments); the investment periods for the Other Clients have expired. To the extent LCM or Other Clients seek to acquire the Funds' target assets, the number and scope of investment opportunities otherwise available to the Funds may be adversely affected.

Moreover, the portfolio strategies employed by the Advisor and/or its affiliates in managing Other Clients and LCM could conflict with the strategies employed by the Advisor in managing the Funds' business and may adversely affect the marketability, exit strategy, prices and availability of the commercial mortgage loans and other commercial real estate-related assets that the Funds originate or acquire. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Funds, Other Clients and LCM. In addition, Other Clients and/or LCM may provide compensation (including performed-based compensation) to the Advisor or its affiliates that is different from or in excess of compensation the Advisor is entitled to receive from the Funds, which may provide an incentive for the Advisor or its affiliates to allocate certain investments to such Other Clients and/or LCM. However, under the Fund Documents, subject to certain exclusions, including in respect of any opportunity presented to or for LCM or its subsidiaries, where consistent with the Funds' business, during the Feeder Fund's commitment period, LoanCore Manager and Mark Finerman are required to offer all investment opportunities developed or received by it or him to the REIT.

³ Because the Feeder Fund invests solely through the REIT, the Feeder Fund and the REIT are referenced as "one client" for purposes of this Item 10.

Because LCM's strategy is focused on the securitization and sale of the commercial real estate loans that it originates and is different from the Funds' strategy of holding commercial mortgage loans and other commercial real estate-related assets for long-term investment, the Advisor anticipate that LCM will continue to concentrate on loans that are typical for securitization and sale transactions (which the Advisor believes will help to mitigate the potential conflicts of interest set forth directly above as there is unlikely to be overlap in terms of potential investment opportunities).

Further, to address potential conflicts of interest, the Advisor and LoanCore Capital have an investment allocation policy in place that is intended to enable the Funds to share investment opportunities equitably with LCM and Other Clients. In general, subject to requirements in the Fund Documents, allocations of investment opportunities (including purchases and sales) will be made first by determining the client(s) (and, as applicable, LCM) for which a particular investment opportunity is appropriate. As between or among those clients and LCM (as applicable), the Advisor, LoanCore Capital and their affiliates will, as determined in good faith, allocate investments in a fair and reasonable manner; provided that, in all cases, investments will be allocated between or among clients and/or LCM based on the following general criteria that include, but are not limited to: the investment objectives and strategies of such clients and/or LCM; the size of the available investment; the time horizon of an investment; diversification considerations; the investment period, if any, of such clients and/or LCM; cash availability and access to capital; the impact on financial covenants, if any; cash flow expectations; risk profiles; the tax implications of an investment; the nature of the opportunity; market conditions; regulatory considerations; whether a client was recently (e.g., within the prior 6 months) formed and is therefore, still in its "ramp-up" phase; any requirements in the Fund Documents; and/or any other factor the Advisor, LoanCore Capital and their affiliates determine to be relevant and appropriate.

The Advisor, LoanCore Capital and their affiliates will seek to apply the forgoing policies and procedures in a fair and equitable manner, and will not favor or disfavor, consistently or consciously, any client in relation to any other client.

Notwithstanding the foregoing, under no circumstances will the Advisor, LoanCore Capital and their affiliates allocate opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any client and/or LCM, (ii) the profitability of any client and/or LCM or (iii) any person's interest in offering or participating in co-investment opportunities outside of any client and/or LCM. The Advisor will maintain appropriate documentation in the event of any deviation from the policy described above. There can be no assurance that the application of the factors set forth above will result in the Funds participating in all investment opportunities that fall within their investment objectives.

As indicated above, Other Clients and/or LCM may participate in some of the Funds' investments, in certain cases at a more junior or senior level in the capital structure of the underlying borrower and related real estate than the Funds' investment. Participating investments will not be the result of arm's-length negotiations and will involve potential conflicts between the Funds' interests and those of Other Clients and/or LCM in obtaining

favorable terms. In addition, the same Advisor personnel may determine the price and terms for the investments for both the Funds and Other Clients and/or LCM, and there can be no assurance that the consideration the Funds are required to pay for these investments will not exceed their fair market value or that the terms the Funds receive for a particular investment will be as favorable as those available from an independent third party. The Funds' interests in such investments may also conflict with the interests of Other Clients and/or LCM in the event of a default or restructuring of the investment.

As stated in Item 8, certain of the Funds' investments have been, and may in the future be, acquired from LCM. The Fund Documents permit the REIT to acquire certain investments on terms the Board determines unanimously to be commercially reasonable.

To the extent the Funds co-invest or otherwise participate in an investment with an Other Client or LCM, (1) any joint expenses will generally be allocated to the participating entities *pro rata* (based on capital committed to the investment) (unless otherwise agreed by the participating entities) and (2) the Funds will not be responsible for any fees payable to the Advisor and/or its affiliates other than to the Advisor as set forth in the Fund Documents. There can be no assurance that any procedural protections will be sufficient to ensure that any of these transactions will be made on terms that will be at least as favorable to the Funds as those that would have been obtained in an arm's-length transaction. In addition, these investments may involve risks that would not otherwise be present in investments where an Other Client or LCM is not involved. Such risks include, among other things, the possibility that the Other Client or LCM may have differing economic or business goals than those of the Fund, or that the Other Client or LCM may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such Other Clients or LCM. There can be no assurance that the return of a Fund participating in a transaction with an Other Client or LCM would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The investors in the Funds include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Advisor or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Advisor and its affiliates will generally consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually. Furthermore, by virtue of their voting power, the rights of certain investors in the Funds to nominate members to the Board, as well as the respective rights of their Board designee(s) (if all applicable requirements are satisfied) to be member(s) of the Board committees, these

investors will have the power to significantly influence the Funds' business and affairs. Further, the Advisor may be incentivized to favor such investors (and their affiliates) in order to benefit itself (to the detriment of the Funds).

The Advisor may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights. Except as otherwise agreed with an investor, the Advisor (or LoanCore Manager) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

In addition to the fees the Funds will be required to pay to the Advisor under the REIT Management Agreement, the Advisor, its personnel and/or its affiliates may benefit from other fees paid to it in respect of the Funds' investments. For example, in the event the Funds seek to securitize loans in the future, the Advisor and/or its affiliates may act as collateral manager. The use of those persons in connection with these services raises potential conflicts of interest in that there may be an incentive for the Advisor to favor it, its affiliates and persons in which it or its personnel has an interest over more qualified service providers or to agree to pay fees that are higher than the fees charged for comparable services.

Although the Advisor's code of business conduct and ethics contain a conflicts of interest policy that, subject to the applicable Funds' documentation, prohibits its directors, officers and employees (if any), as well as the Advisor and its affiliates and their employees who provide services to Funds, from engaging in any transaction that is determined by the Advisor to involve an actual conflict of interest with the Funds without the approval of a majority of the Board, the Advisor does not have a policy that expressly prohibits its directors, officers, employees (if any), security holders or affiliates from engaging for their own account in business activities of the types conducted by the Funds. In addition, except as indicated above, the Fund Documents do not prevent the Advisor or its affiliates from engaging in additional management or investment opportunities, some of which could compete with the Funds.

One of the Advisor's principals has a minority interest in Divco West Real Estate Services, LLC ("**Divco**") (which is also registered as an investment adviser with the SEC²). From time to time, the Funds could originate a loan to Divco (or its clients or their subsidiaries). Any such transactions are done in accordance with the Funds Documents.

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all

² SEC registration number 801-74082.

limited partners in such Fund on a pro-rata basis, including LoanCore Manager. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by LoanCore Manager by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. LoanCore Manager therefore has a conflict of interest in deciding whether to borrow funds because LoanCore Manager may receive disproportionate benefits from such borrowings.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Fund will generally be secured by capital commitments made by the investors to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of Unrelated Business Taxable Income.

The Advisor and its personnel may engage common third-party service providers for the Funds, or the portfolio investments of the Funds, on either a long-term basis or in connection with a specific transaction. Such third-party service providers include, without limitation, investment bankers, real estate brokers, leasing brokers, outside legal counsel, accountants, custodians and auditors. In the event of a significant dispute or divergence of interest between Funds, the Advisor and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Advisor and its affiliates, and in litigation and other

circumstances separate representation may be required. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Advisor, its personnel the Funds, and/or the portfolio investments. This may result in the Advisor or its personnel receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio investment, or the Advisor or its personnel receiving a discount on services even though the Funds and/or the portfolio investments receive a lesser, or no, discount. This creates a conflict of interest between the Advisor and its personnel, on the one hand, and the Funds and/or portfolio investments, on the other hand, in determining whether to engage such service providers, including the possibility that the Advisor will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio investments. Neither the Funds nor the investors in the Funds receive the benefit of any such favorable rate or discount provided to the Advisor, its personnel or its affiliates.

Certain other service providers to the Advisor, the Funds and/or the portfolio investments, or affiliates of such service providers, also provide goods or services to or have business, personal, financial or other relationships with the Advisor, its affiliates, or their respective portfolio investments. Such service providers (or their employees) may also source of investment opportunities, be co-investors or commercial counterparties or entities in which the Advisor and/or the Funds have an investment, and payments by a Fund and/or such portfolio investments may indirectly benefit the Advisor and/or such Fund.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Advisor, its affiliates or their personnel differ from those required by the Funds and/or its portfolio investments, the Advisor, its affiliates and their personnel will pay different rates and fees than those paid by the Funds and/or its portfolio investments.

The Advisor or its affiliates engage certain service providers (including law firms) on behalf of the Funds and personnel of such service provider may in the future seconded to the Advisor or its affiliates on a temporary basis, pursuant to various arrangements including at cost or at no cost. The Advisor is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to the Advisor, its affiliates and/or portfolio investments and in any such circumstance the benefits or costs of any such personnel will be allocated in the Advisor's discretion taking into consideration the usage of such personnel. In such circumstances, a conflict of interest exists because the Advisor or its affiliates have an incentive to select one service provider over another on the basis that the Advisor or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Advisor or its affiliates.

The Advisor and the Funds will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Client, and may also represent one or more portfolio investments or investors in a Client. In the event of a significant dispute or divergence of interest between Funds, the Advisor and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Advisor and its affiliates, and in litigation and other circumstances separate representation may be required.

Investors may be introduced to the Advisor, or may be brought in a Fund, by a third-party consultant from which the Advisor or a related person purchase products and to which the Advisor or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Advisor and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points” or credit in loyalty/status programs to the Advisor and/or its personnel, and such benefits, rewards and/or amounts (whether or not de minimis or difficult to value), will exclusively benefit the Advisor and/or such personnel even though the cost of the underlying service is being borne by the Funds to the offset arrangements described above or otherwise shared with such Client, its investors and/or the portfolio investments. In addition, airline travel incurred as a Client expense for an Advisor personnel travelling for appropriate Client-related purposes (including, without limitation, travel related to a portfolio investment, a prospective portfolio investment or other Client-related matter) may benefit such Advisor personnel to the extent the trip also serves a personal purpose.

The Advisor has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, the Advisor and/or their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Advisor that cover one or more Funds and/or the Advisor (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). The Advisor will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds and/or the Advisor on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

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

Code of Ethics

The Advisor has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 (the “**Code of Ethics**”) which sets forth fiduciary principles and certain standards of business conduct that must be followed by, among others, all principals, officers and employees of the Advisor (collectively “**Covered Persons**”). The Code of Ethics provides guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations, and regarding adherence to securities laws generally. Covered Persons and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Covered Persons are also required to file certain periodic reports with the Advisor’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Advisor detect and prevent potential conflicts of interest.

In addition, the Code of Ethics requires that all Covered Persons report Code of Ethics violations and provides the potential for sanctions for such violations. Covered Persons who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Covered Persons are also required to promptly report any violation of the Code of Ethics of which they become aware and are required to annually certify compliance with the Code of Ethics.

The Advisor’s Chief Compliance Officer is responsible for various aspects of the Code of Ethics’ administration, including, without limitation, the monitoring and review of personal securities transactions, and is available for any questions Covered Persons have regarding the Code of Ethics. The Advisor will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions and Personal Trading

Advisor personnel may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with securities for their own accounts, for the accounts of family members, and for the accounts of individual and institutional clients. These activities may conflict with Advisor personnel activities on behalf of the Advisor’s clients. For example, Advisor personnel have, and may in the future, individually or on behalf of Other Clients (or in connection with LCM), invest in the same types of investments in which the Funds may invest or trade, and may invest the assets of the Funds in an investment while withdrawing (or recommending the withdrawal of) the same investment. These other activities may affect the prices and availability of the securities and other investments in which the Funds invest.

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very

generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Advisor’s management of the Funds, the Advisor and its affiliates may engage in principal transactions. The Advisor has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

In accordance with the Advisor’s cross trading policy, the Advisor may advise that a security may be sold or bought by the Funds to or from another client when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the clients involved. In such instances the Advisor will confirm that it (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm’s length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction’s terms and conditions.

Item 12 – Brokerage Practices

Selection of Brokers

From time to time, the Advisor may use brokers or other intermediaries to facilitate the Funds’ purchase or sale of an investment. The Advisor will have the authority to determine without client consultation or consent the broker or other intermediary through which the Funds purchase or sells investment, and the compensation at which such transactions are effected.

In selecting brokers or other intermediaries to provide services in connection with portfolio transactions, the Advisor’s policy is to seek the best execution on an overall basis, which means that it seeks to ensure that the client’s total cost or proceeds is the most favorable under the circumstances. Accordingly, transactions will not always be effected at the best price or the lowest available compensation.

The Advisor does not adhere to any rigid formulas in making its selection of brokers or other intermediaries to assist with transactions on behalf of its client, but weighs a combination of factors or criteria. For example, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including:

- reliability;
- reputation;
- industry knowledge and expertise;
- ability to provide access to borrowers;
- financial stability;
- efficiency;
- ability to keep activities confidential;
- provision of products and services;
- idea generation;
- competitive compensation; and
- general responsiveness.

The Advisor does not consider, in selecting or recommending brokers or other intermediaries, whether it or a related person receives limited partner referrals from such persons. The Advisor does not enter into directed brokerage arrangements.

Aggregation of Trades

In the case that the Advisor executes trades on behalf of multiple clients, and if investment decisions are made contemporaneously for multiple clients in the same investment, the Advisor may, if consistent with applicable law, bunch or aggregate client orders (including orders for clients in which the Advisor's personnel have beneficial interests) for execution. These bunched or aggregated orders might facilitate execution and may reduce brokerage and other costs. The Advisor, however, is not required to bunch or aggregate orders if investment decisions are not made contemporaneously, if the Advisor determines that it would be consistent with its duties or the interests of its clients not to do so, or if bunching or aggregating is not practical operationally or otherwise.

Although it is anticipated that any bunching or aggregation of orders will benefit each client overall, aggregating orders may disadvantage clients, including by resulting in shared allocations of orders or higher execution prices for clients. Alternatively, not aggregating orders may disadvantage clients, including by resulting in higher costs (including higher execution prices) for client orders.

Item 13 – Review of Accounts

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Advisor's review of them is not directed toward a short-term decision to dispose of them. However, the Advisor's investment professionals provide ongoing oversight and supervision of those individuals responsible for the asset management and ongoing operations of the investments. Business plans are updated at least annually by Advisor's or its affiliate's asset management professionals and significant operations and assumptions are discussed with investment professionals.

The REIT investors receive annual financial statements of the Feeder Fund (as described below), which fully consolidate the REIT.

Feeder Fund investors receive quarterly financial reports, as well as, within 75 days after the end of each fiscal year of the Feeder Fund, the Feeder Fund's annual financial statements (which will be audited by an independent public accounting firm in accordance with GAAP (see Item 15 below)). Feeder Fund investors also receive investment activity and performance reports on a quarterly and annual basis.

The reports set forth above are written. The Advisor will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14 – Client Referrals and Other Compensation

Neither the Advisor nor its related persons directly or indirectly compensate any person who is not a supervised person for investor or client referrals. The Advisor does not provide compensation to non-supervised persons for the purpose of obtaining clients.

Item 15 – Custody

To the extent required by applicable law, the Funds' securities and funds are held by qualified custodians. As noted in Item 13 above, the Funds' investors will receive annual financial statements audited by an independent public accounting firm. Investors are urged to carefully review such statements.

Item 16 – Investment Discretion

As discussed in Item 4 and Item 8 above, the Advisor does not have discretion with respect to the Funds. Investments by the REIT may not be funded without the approval of the Credit Committee or certain investors in the Fund.

Item 17 – Voting Client Securities

To the extent proxy voting is part of a particular investment strategy, the Advisor has adopted proxy voting policies and procedures designed to ensure that where its clients

have delegated proxy voting authority to the Advisor, all proxies are voted in the best interest of its clients without regard to the interests of Advisor or its related persons. Clients may not direct the Advisor's vote in a particular solicitation. The Advisor's proxy voting policies provide that, in the case of any potential material conflict of interest related to a proxy vote, (1) the Advisor's Chief Compliance Officer will determine the manner in which the proxy will be voted (and may involve client consent) or (2) the proxy will be voted through a third party proxy service. The Advisor believes that either of these alternatives would serve to address any potential conflict of interest related to the proxy vote between the Advisor and its clients.

Clients may obtain a complete copy of the Advisor's Proxy Voting Policy and Procedures or information on how the Advisor voted proxies for the relevant client free of charge by submitting a written request to the Advisor's Chief Compliance Officer at investorrelations@loancore.com.

Item 18 – Financial Information

The Advisor is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 – Requirements for State-Registered Advisers

Form ADV Part 2 requires responses to Item 19 if an investment adviser is registered with one or more state securities authorities. This item is not applicable to the Advisor.

