

## **Part 2A of Form ADV: Firm Brochure**

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**This brochure (“Brochure”) provides information about the qualifications and business practices of Hunt Capital Management, LLC (“Hunt Capital Management”, the “Adviser”, “we”, “us” or “our”). If you have any questions about the contents of this brochure, please contact us at either (212) 588-2073 or (212) 588-2189. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Hunt Capital Management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Material Changes**

There are no matters to note in this Item since this is Hunt Capital Management’s initial Brochure filing.

In the future, this Item 2 will discuss specific material changes that are made to this Brochure and provide a summary of such changes.

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#### Item 4 - Advisory Business

This Brochure has been prepared in connection with Hunt Capital Management's initial registration with the SEC. We are registering with the SEC as a "related adviser" under Rule 203A-2(b) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), with Hunt Investment Management, LLC, a Delaware limited liability company and SEC-registered investment adviser ("**HIM**"). Currently, Hunt Capital Management does not advise any Clients (defined below) and does not have any regulatory assets under management. This Brochure has been drafted to describe Hunt Capital Management's business as it is expected to operate on or after the effective date of its SEC registration. Registration does not imply a certain level of skill or training.

Hunt Capital Management, founded in 2020, is an investment advisory services firm that provides discretionary and non-discretionary portfolio management and advisory services to pooled investment vehicles and single-investor funds (collectively, "**Funds**"), co-investment vehicles, joint ventures, special purpose vehicles, alternative investment vehicles, feeder vehicles, separately managed accounts ("**Managed Accounts**"), high net worth individuals, insurance companies, banks, thrift institutions, pension plans, employee benefit plans, endowments, foundations, trusts and estates, public and private corporations, partnerships, and other business entities (collectively, our "**Clients**").

The principal owners of Hunt Capital Management are Woody L. Hunt and WGH Dynasty Trust, via their direct and indirect ownership of the following entities:

- Woody L. Hunt owns 34.36%, and WGH Dynasty Trust owns 39.28%, of Hunt Companies, Inc., a corporation organized and existing under the laws of the State of Delaware ("**HCI**");
- HCI owns 100% of Hunt Company, LLC, a limited liability company organized and existing under the laws of the State of Nevada ("**Hunt Co.**");
- Hunt Co. owns 98.82% of Hunt ELP, Ltd., a corporation organized and existing under the laws of Texas ("**Hunt ELP**"); and
- Hunt ELP owns 100% of Hunt Capital Management.

The advisory and management services we typically provide Clients include:

- the acquisition, management, and disposition of assets spanning the real estate debt structure, including whole loans, participation interests, mezzanine loans, preferred equity, securitized real estate, leveraged bonds, tax exempt bonds, and other forms of real estate securities;
- the acquisition, management, and disposition of investments in bonds and other debt obligations that finance real estate in the U.S.;
- the generation of income and capital appreciation through asset selection, credit re-underwriting, capital structure relative value, and rate and credit hedging of investments spanning the real estate debt structure.
- general management and administrative services and portfolio management services, including managing day-to-day operations;

- the communication, on behalf of any applicable Client, with the holders of any such Client's debt securities;
- the evaluation and selection of investments;
- ongoing asset management; and
- the coordination and management of operations of any joint venture or co-investment interests.

Clients generally specialize in investing in real estate debt assets, including bonds and other debt obligations that finance real estate investments, securitized real estate investments; and other forms of real estate securities. Our Clients' investments may take the form of, or include, without limitation:

- the formation of joint ventures or co-investment arrangements with investors for investments in real estate debt-related assets (including the acquisition of debt, preferred equity and equity interests in joint ventures);
- the acquisition of securities in entities that own or invest in one or more real estate debt-related assets;
- investment in portfolio companies that perform services relating to, or otherwise engage in, businesses relating to real estate debt-related assets;
- the issuance or acquisition of mezzanine financing, mortgage loans, and other real estate backed indebtedness, or participation in, or ownership of, securities backed by such indebtedness; and
- investment in securitized real estate securities, some of which are relatively illiquid and credit sensitive, including rated and unrated interests in mortgage-backed securities collateralized by commercial real estate loans, interests in individual loans secured by commercial real estate, including subordinated interests, mezzanine loans and other real estate-related securities, securities resulting from commercial real estate securitizations, and any other real estate debt-related instruments.

Hunt Capital Management serves as investment adviser to the Clients. We tailor advisory services in accordance with and subject to the investment objectives and guidelines set forth in each Client's governing documents, which may include, but is not limited to, the applicable private placement memorandum (or equivalent disclosure document), partnership agreement, limited liability company agreement, investment management agreement or similar organizational document or management agreement ("**Account Documents**"). As such, with respect to our Fund Clients, we generally tailor our advisory services to the particular needs of each Fund and not the needs of the individual investors in that Fund.

We do not participate in any wrap fee programs.

## Item 5 – Fees and Compensation

We or our affiliates receive compensation from Clients calculated based on (i) a percentage of assets or capital managed, and (ii) performance achieved on behalf of a Client's account, which typically includes one or more of the following types of compensation:

- management fees of up to 2% per annum of (i) the committed or invested capital of a Client, or (ii) the average monthly balance, fair market value, gross asset value, or net asset value of investments made by a Client (which may be inclusive or exclusive of leverage); and
- performance-based compensation, structured as carried interest or incentive allocations or fees, of up to 20% of (i) profits derived from the disposition of a Client's assets (following the payment of net invested capital), or (ii) net realized and unrealized capital appreciation of the net asset value of the applicable Client (subject to certain loss carry-forward and/or other hurdle provisions (such as a preferred return)).

The amount, structure and type of fees paid by a Client (or, as applicable, any investor in a Client) may vary and may be negotiated. Clients may pay fees that are different from, more, or less than the fees (or types of fees) set forth in this Brochure, or more or less than similar Clients or Clients invested in similar strategies. We may waive or reduce management fees and carried interest allocations for certain investors including, without limitation, our supervised persons ("**Supervised Persons**") and "friends and family" investors (see discussion of side letters in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). Management fees and incentive and carried interest allocations for co-investment vehicles are separately negotiated in each case.

We typically deduct all asset-based compensation automatically in accordance with each Client's Account Documents, but we may also bill Clients directly for any fees incurred. Our Clients typically pay these fees quarterly, in arrears; however, in certain instances, fees are (i) calculated and billed monthly, and (ii) capped at a fixed percentage of assets under management.

The performance-based compensation (carried interest and incentive fees or allocations) we receive from our Clients is generally based on realized proceeds in excess of capital committed, earnings exceeding a defined target or net invested capital, although other fee arrangements, including arrangements based on net realized and unrealized capital appreciation, may be utilized with respect to certain Clients. We do not receive performance-based compensation on a regularly-scheduled basis. Instead, the amount, structure and timing of performance-based compensation we receive varies based on the type of Client and/or the type of asset managed.

Our Clients and/or companies in which our Clients have an interest may pay us and/or our affiliates servicing fees in connection with the provision of certain administrative or other services. In addition, in connection with certain investments and/or activities of certain Clients, our affiliates may be retained to provide certain ongoing asset management, servicing, and other related services and be paid a fee for doing so. One or more of our affiliates may also be retained to perform certain administration services and certain back office services for Clients and may also provide such services to us. These arrangements may create conflicts of interest, as we would be incentivized to choose our affiliates to provide these services rather than an unrelated third party, and we and our affiliates have an interest in obtaining fees and other amounts for such services which are favorable to us. We have policies and procedures in place to address these conflicts. From time to time, we may invest Client assets in mutual fund shares or other public or private investment vehicles managed by unaffiliated

third parties. In these instances, Clients pay the additional management fee and performance-based compensation charged by the unaffiliated mutual fund or other investment vehicle, as applicable. To the extent we cause a Client to invest into another vehicle managed by us, we will not charge such client a double fee on such investment.

Detailed information regarding the fees and expenses charged to Clients is provided in the respective Account Documents of each Client.

Different Clients may have different termination rights with respect to our advisory services. For example, with regard to our Funds, upon a vote of a majority of such Fund's members, partners or shareholders, our services may be terminated either (i) upon written notice for any reason or (ii) for cause upon written notice (subject to certain limitations). With regard to Managed Accounts, Hunt Capital Management and the beneficial owner(s) of such Managed Account may generally have the right to terminate services with notice. In many instances, if an agreement is terminated (other than at a previously specified period), fees may be prorated to the termination of the agreement and we may be entitled to receive other fees and expenses incurred through the date of termination. We may also agree with a Client that, upon termination of the advisory agreement, we will continue to receive fees on invested assets until their disposition.

In connection with our advisory services, Clients bear all of their own expenses (ordinary and extraordinary) which may include, without limitation:

- organizational expenses;
- fees, costs and expenses directly related to the contracting, acquisition, holding, financing, refinancing and sale or other disposition of Client investments, and the evaluation of potential investments regardless of whether the potential investments are made;
- any expenses related to making temporary investments and any interest expenses;
- expenses of any administrators, custodians, counsel, accountants (including the audit and certification fees and costs of printing and distributing reports to a Fund's investors), investor relations, proxy solicitors, brokers, printers, rating agencies, third party advisors, independent contractors, consultants, managers and transfer agents;
- fees, costs and expenses and taxes incurred in connection with the issuance, distribution, transfer, registration and stock exchange listing of a Client's securities;
- any insurance, indemnity, or litigation expense;
- out-of-pocket expenses of a Fund's investor advisory committee;
- certain taxes;
- any fees or other governmental charges levied against a Client;
- rent and other fees relating to office(s), utilities, furniture, equipment and other office overhead expenses required for our Clients' operations;

- compensation expenses paid to corporate finance, tax, accounting, internal audit, legal risk management, operations, compliance and other non-investment personnel; and
- expenses for transactions not completed, including amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated, and any deposits or draw-down payments that are forfeited in connection with unconsummated transactions.

Our Clients, and consequently investors in our Clients, also bear all of their investment-related expenses, such as:

- proxy expenses;
- interest and commitment fees on loans and debit balances;
- custodial fees;
- break-up fees;
- brokerage commissions;
- travel expenses;
- underwriting fees;
- research fees and materials (including online news and quotation services);
- syndication fees;
- costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged in connection with specific transactions;
- bank charges; and
- other ordinary miscellaneous research expenses.

We allocate the expenses among the applicable Clients and the applicable investments of each Client in accordance with such Client's underlying management agreement and in a fair and reasonable manner. Because we render advice to and make investments for Clients on a negotiated basis, opportunities for trade executions are less common than, for example, accounts that trade primarily in public equities. When applicable, however, our Clients will pay brokerage fees. For more information on brokerage transactions and costs, please see Item 12 – Brokerage Practices.

The assets of a Client may be invested in joint ventures or platforms with third parties. In addition, our Clients may enter into other arrangements with third parties to facilitate the sourcing and management of investments made by our Clients. Through these joint ventures, platforms, and other arrangements, investors in an applicable Client may bear a pro rata portion of the fees and expenses of the joint venture, platform, or other arrangement, which may include a fee or other performance compensation paid to the applicable third party, as well as the management fee and performance compensation paid to us by our Clients.



There are compensation fee structures in some investment vehicles, such as a separate account for an individual Client, which may provide for payment of a disposition fee as a result of a sale of an asset of the account. Such disposition fees are sometimes received in lieu of performance-based compensation or carried interest, which is customary in a fund structure. The customary range of the disposition fee is 0.25% to 1.0% of the sale price of an asset. However, any potential or perceived conflict is mitigated by the fact that a Client will typically have discretionary control over whether or not assets are sold.

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

As described in Item 5 – Fees and Compensation, certain Clients will be subject to performance-based compensation. To the extent applicable, investors in Clients that are subject to performance-based compensation will be required to satisfy the eligibility criteria of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). As set forth in Item 5—Fees and Compensation, performance-based compensation will generally be up to 20% of (i) profits derived from the disposition of a Client’s assets (following the payment of net invested capital), or (ii) net realized and unrealized capital appreciation of the net asset value of the applicable Client (subject to certain loss carry-forward and/or other hurdle provisions (such as a preferred return)).

Performance-based fees received by us or our affiliates may create incentives for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement or in the absence of such fee arrangement.

Due to the different fee arrangements in place for our Clients, we will have an incentive to favor Clients that pay performance-based fees over Clients that pay only asset-based fees. This incentive could, for example, affect our decision to effect transactions for some Clients and not for others if we believe that the transaction will be profitable (or to allocate a greater portion of a limited investment opportunity to those Clients). To address these conflicts, we have adopted policies and procedures that seek to provide that investment decisions are made in the best interest of each Client, and that are intended to assure that, over the long term, all Clients are treated as fairly and equitably as possible relative to each other. In general, investment decisions for each Client are made with specific reference to such Client’s Account Documents and the individual needs and objectives of that Client. In allocating investment opportunities, we will take into account various factors, including each applicable Client’s governing documents and allocation policies, investment objectives, available capital commitments, and the composition of the various portfolios taken as a whole.

## Item 7 – Types of Clients

We offer advisory services to the following types of clients: Funds, co-investment vehicles, joint ventures, special purpose vehicles, alternative investment vehicles, feeder vehicles, Managed Accounts, high net worth individuals, insurance companies, banks, thrift institutions, pension plans, employee benefit plans, endowments, foundations, trusts, insurance companies and estates, public and private corporations, partnerships, and other business entities.

Many of our Clients are expected to be Funds that will rely on certain exclusions from the definition of “investment company” in the Investment Company Act of 1940, as amended. None of our Clients are currently registered as investment companies with the SEC.

The underlying investors in our Funds may include high net worth individuals, affiliated entities and employees, banks, thrift institutions, pension plans, employee benefit plans, endowments, foundations, trusts, insurance companies, and estates, and corporations, partnerships, or other business entities.

Fund investors are required to be “accredited investors” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) and must satisfy such other investor qualification requirements in order to satisfy applicable securities laws.

We determine, in our sole discretion, any requirements for entering into an investment advisory contract with a Client or otherwise opening or maintaining an account, including whether a Client is large enough to implement its desired investment program.

We may enter into side letter agreements or other similar agreements with Fund investors, which agreements may provide such investors with rights and terms (including, without limitation, rights and terms relating to management fees, the performance allocations, access to information/reporting obligations, the ability to be charged fees associated with the engagement of placement agents, “most favored nation” provisions, and rights or terms requested or necessary in light of particular investment, legal, regulatory, or public policy characteristics of a Client investor) that are different or in addition to the general terms of the governing documents of an applicable Client. We are not obligated to offer such additional or different rights or terms to all Client investors.

Occasionally, we may permit non-U.S. investors to invest in our Funds. Under these circumstances, any non-U.S. investors would need to qualify under certain foreign, non-US securities laws.

Investors and other recipients of this Brochure should be aware that while this Brochure may include information about our Clients, as necessary or appropriate, this Brochure should not be considered to represent a complete discussion of the features, risks or conflicts associated with any Client. More complete information about each Client is included in such Client’s Account Documents. In no event should this Brochure be considered to be an offer of interests in a Client or relied upon in any determination to invest in a Client. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of this Brochure. Rather, this Brochure is designed to provide information about the Adviser for the purpose of compliance with the Adviser’s obligations under the Advisers Act. Accordingly, this Brochure responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in a Client’s Account Documents or public filings. To the extent that there is any conflict between discussions herein and similar or related discussions in

any Account Document or public filing of a Client, the relevant Account Document or public filing shall govern.

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

We employ any and all types of investment analysis and strategies; however, in managing our Client's investments, we employ methods of analysis and investment strategies suitable for each Client's investment objective, including investing in both public and private real estate debt-related instruments, bonds and other debt financing for real estate investments and other forms of real estate debt or debt-like securities and assets.

Our company, on behalf of our Clients, invests in various classes of real estate-related debt or debt-like securities and assets. These investments can be made directly or through the use of limited partner or membership interests in joint venture entities. We vary the investment programs within the real estate debt sector according to our Clients' investment guidelines, mandates, policies or needs. Among all of our Clients we may engage in any combination of the following:

- investing in mezzanine, subordinated and junior debt;
- investing in corporate debt;
- investing in non-performing loans;
- investing in residential and commercial mortgages;
- investing in preferred equity;
- investing in real estate investment trust common and preferred stock;
- investing in asset-backed securities ("ABS"), commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities, collateralized debt obligations, collateralized loan obligations, individual loans secured by commercial real estate (including subordinated interests, mezzanine loans, and other real estate-related securities), and securities resulting from commercial real estate securitizations;
- investments in bonds and other debt obligations that finance real estate in the U.S.;
- investing in leveraged bonds and tax exempt bonds;
- borrowing/leveraging, including short-term bridge loans (on an unsecured basis);
- utilizing various hedging instruments, including credit default swaps, total rate of return swaps, and credit linked notes to mitigate capital market risks;
- investing in or with other partnerships and entities; and
- investing in, with, or alongside affiliates.

From time to time, we expect to make short-term investments on behalf of Clients for cash management purposes that will generally include cash, short-term obligations of the United States, or fully guaranteed as to interest and principal by the United States, interest bearing accounts or certificates of deposit, repurchase agreements and commercial paper.

With respect to each of our Clients, we use our, and leverage our affiliates' extensive industry expertise and relationships with key players in the industry to thoroughly evaluate and investigate the fundamentals of our investment prospects. We evaluate the global, national and local economic outlook relative to the various real estate debt products that will be offered to our Clients. We evaluate economic growth trends, employment trends, real estate supply/demand, movements in interest rates, and other factors to determine which real estate debt investment strategies are appropriate relative to each of our Client's objectives.

In addition, we analyze market and sub-market data on a macro level, including, among other things, rent and tenant allowance trends, sale comparables, capitalization rates, new construction activity, vacancy and absorption trends, tenant and industry concentrations.

We evaluate individual real estate debt investment opportunities, taking into account the above information as well as an assessment of the investment's overall competitive stature in the market and sub-market, project leases, project cost of operation, third-party reports including environmental and structural analysis, pre-and post-acquisition appraisals, sponsorship and our site inspections.

We also analyze and monitor real estate capital markets to determine financing strategies, as well as to continually assess the possibility of different investment exit strategies. We access market knowledge through our participation in the real estate capital market and by interacting with other participants. We also access information through the following:

- financial newspapers and magazines;
- inspections of corporate activities;
- research materials and surveillance reports prepared by affiliates or third parties;
- corporate ratings services; and
- annual reports, prospectuses, press releases and other filings with the SEC.

Despite our thorough research and analysis, investing in any security involves a risk of loss that our Clients and, as applicable, the investors in our Clients must be prepared to bear. There is no certainty of return with respect to any such investment and an investor may lose their entire investment. Below is a summary of certain risks associated with an investment in our Clients. In addition, investors should refer to the risk factors in each Client's Account Documents, as provided to, or made available to, prospective investors for a complete description of the risk associated with an investment in our Clients.

Certain risks associated with an investment in our Clients include:

- Highly Competitive Market for Investment Opportunities. The activity of identifying, completing, and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. We compete, on behalf of our Clients for investments with other private equity investors, as well as companies, public equity markets, individuals, financial institutions including banks, government-sponsored enterprises, other lenders and other investors. Furthermore, over the past several years, private equity funds have an unprecedented amount of capital available

for private equity investment. Additional funds with similar objectives may be formed in the future by other parties. It is possible that competition for appropriate investment opportunities will increase and reduce the number of investment opportunities available to our Clients and adversely affect the terms upon which investments can be made. There is no assurance that we will be able to locate, consummate and exit investments that satisfy our Clients' rate of return objectives or realize upon their values, or that our Clients will be able to invest fully their committed capital (as applicable).

- Due Diligence. Our due diligence of investment opportunities may not identify all pertinent risks, which could materially affect the performance of Client assets.
- Valuation and Client Reports. Generally, Client investments may not be in readily marketable assets for which prices are available from third parties. Where applicable, or required by Client accounts, we may report Investments at estimated market value, or amortized cost basis, as determined in good faith by the Adviser. We may also report forecasted cash flows for Investments, as determined in good faith by the Adviser. There can be no assurance that the value assigned to, or cash flows forecasted for, an investment at a certain time will equal the value or cash flows that the Client is ultimately able to realize.
- Financial Markets and Regulatory Change. The instability in global financial markets has heightened the risks associated with the investment activities and operations of investment funds, including those resulting from a reduction in the availability of credit and the increased cost of short-term credit, a decrease in market liquidity and an increased risk of bankruptcy of third parties with which we work. Market disruptions over the recent years and the increase in capital being allocated to investment funds and other alternative investment vehicles have led to increased scrutiny and regulation over the investment fund and asset management industry. In addition, the laws and regulations affecting business continue to evolve unpredictably. Laws and regulations applicable to our Clients, especially those involving taxation, investment and trade, can change quickly and unpredictably in a manner adverse to our Clients' interests.
- Risk of Limited Number of Investments. We anticipate that certain of our Clients will participate in a limited number of investments. As a consequence, the aggregate return of such Clients may be substantially adversely affected by the unfavorable performance of even a single investment.
- Investments Longer than Term. We, on behalf of a Client, may make investments that cannot be advantageously disposed of prior to the date the Client will be dissolved, either by expiration of our Client's term or otherwise.
- Uncertainty of Financial Projections. Our company or our affiliates will generally evaluate potential investments on the basis of financial projections for these investments. Projections are only estimates of future results which rely on assumptions made at the time of the projections. There can be no assurance that we can attain these projected results, and actual results may vary significantly from the projections. In addition, general economic conditions, which are not predictable, can have a material adverse impact on the reliability of the projections.
- No Operating History. Our Clients are often newly-organized entities that have no prior operating history or track record as independent entities. There can be no assurance that our Clients or

their investments will be able to implement their investment strategies to achieve desired results, or that any target results will be met or that it will be able to avoid losses.

- Integration Risk. We may not be able to effectively integrate our Clients with our and our affiliates' other business lines. Integration may involve risks, including, for example, the following risks:
  - the ability to effectively integrate internal processes and systems, technology enterprises, personnel and compliance controls;
  - the ability to effectively incorporate and implement uniform policies and procedures; and
  - the ability to create an effective unified culture of compliance among personnel.
- Cyber Security Risk. As the use of technologies, such as the internet, has become more common in conducting business, we, and as a result, our Clients may be more susceptible to operational, information security, and related risks in connection with breaches in cyber security. Generally, a cyber security failure may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, causing a Client to lose proprietary information, corrupting data, or causing operational disruption, including denial of-service attacks on websites. A cyber security failure could cause a Client and/or the Adviser to become subject to regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial losses. Cyber security failures may involve third party service providers, joint venture partners, and investments made by, or counterparties in transactions with, the Adviser or our Clients. We have established policies and procedures reasonably designed to reduce the risks associated with cyber security failures; however, there can be no assurance that these policies and procedures will prevent or mitigate the impact of cyber security failures.
- Epidemics, Pandemics, Outbreaks of Disease and Public Health Issue Risk. Our business activities as well as the activities of our affiliates, Clients and personnel and their operations and investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, one such coronavirus, COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in late 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of Hunt Capital Management and our affiliates and Clients.



- Management Risk. The investment performance of our Clients will be substantially dependent on the services of our company. In the event of the death, disability, departure, insolvency, or withdrawal of any principal of our company, or the insolvency or bankruptcy of our company, the performance of our Clients may be adversely affected.

The following is a description of some important risks associated with the investment strategies that we employ. The following explanation of certain risks is not exhaustive, but rather highlights the significant risks involved in our investment strategies. We do not use every strategy listed below when managing each Client's assets, but rather we use various combinations of strategies that depend on each Client's circumstances and investment goals.

- Non-Controlled Investments. We may invest a substantial portion of our Clients' assets in joint ventures formed for the purpose of investing in real estate debt. Our Clients can have shared or limited control of some or all of these investments, which may involve risks not present in other types of investments, such as the possibility that the other party may become bankrupt or have economic or business interests or goals inconsistent with our Clients' interests or goals. Actions taken by these other parties may subject the investment to liabilities greater or different than those contemplated by the Clients. It may also be more difficult for the Clients to sell their interest in those investments. If one of our Clients shares control over an investment with another party, deadlocks could result that could adversely affect the investment's returns or value.
- Non-U.S. Investments. Our company, on behalf of our Clients, may invest in real estate-related debt instruments located or issued principally outside of the United States. Non-U.S. investments involve certain factors not typically associated with investing in U.S. securities, including risks relating to:
  - currency exchange matters, such as fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Client's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another;
  - differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets;
  - the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation;
  - certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, nationalization of business enterprises, the risks of political, economic or social instability, the possibility of substantial rates of inflation and the possibility of expropriation or confiscatory taxation;
  - the possible imposition of non-U.S. taxes on income and gains recognized with respect to these securities; and
  - less developed laws regarding corporate governance, fiduciary duties and the protection of investors, and other differences in applicable legal systems, including the possibility that our Clients may experience difficulty in asserting legal claims or obtaining legal remedies in non-U.S. jurisdictions.

- Leverage. Our Clients may employ leverage in connection with their investments and operations. The percentage of leverage used by each Client will vary depending on the estimated stability of the cash flow of the properties it invests in, as well as on market conditions. To the extent that changes in market conditions cause the cost of financing to increase versus the income that can be received from investments, we may reduce the amount of leverage for our Clients. While the use of leverage can enhance returns and increase the number of investments that we can make on behalf of any one Client, it will also increase the risk of loss. As a Client incurs indebtedness, it will become subject to the risks associated with debt financing, including the risks that available funds will be insufficient to meet required payments and that existing indebtedness will not be able to be refinanced or that the terms of that refinancing will not be as favorable as the terms of existing indebtedness. To the extent that a Client or a joint venture is unable to meet required debt service payments, the Client risks the loss of some or all of its assets.
- Credit Facilities. A Client can enter into a credit facility to fund investments or to pay expenses through borrowing instead of capital contributions from underlying investors. These investors are often required to confirm the terms of their commitments, to provide financial information, to execute financing statements and pledge agreements and to provide or execute other documents that be required by lenders.
- Investment in Distressed Assets. We may make investments in under-performing or other distressed assets on behalf of our Clients, utilizing leveraged capital structures. By their nature, these investments will involve a high degree of financial risk, and there can be no assurance that our Clients' rate of return goals will be met or that there will be a return of capital.
- Investment in Tax-Exempt Bonds. We may make investments in tax-exempt bonds, on which, at initial issuance we received an opinion that interest on the bond is excludable from gross income for federal income tax purposes. However, under certain circumstances, these bonds could lose their tax-exempt status subsequent to issuance. While we take steps to ensure that these circumstances do not occur, there can be no guarantees that the tax-exempt status will be maintained. If our Client's bonds were to lose their tax-exempt status, then the fair value of these investments would decline. If a bond was the referenced asset in a total return swap ("TRS") financing, the TRS would terminate, thereby causing the Client to reacquire such bonds at fair value while being obligated to pay any difference required to settle a TRS. If we did not purchase a bond in such circumstances, the counterparty could sell it and, if its value at the inception of the TRS agreement was not realized upon sale, the Client would also be obligated to pay any difference required to settle a TRS agreement and our Client's TRS collateral would be at risk.
- Liabilities on Sale. In connection with the disposition of an investment on behalf of our Clients, we are often required to make representations about the business and financial affairs of the investment typical of those made in connection with the sale of a business. We may also be required to indemnify the buyers of the investment for any inaccurate representations. These arrangements could result in contingent liabilities for which we will likely establish reserves or escrows. For that purpose, underlying investors in our Clients will usually be required to return amounts distributed to them to pay for obligations, including indemnity obligations.
- Use of Valuations. Investments in real estate debt-related assets are difficult to value, illiquid or thinly traded. It is noted that these instruments may be difficult to value accurately. All loans will be considered held-to-maturity. However, there is substantial uncertainty and subjectivity in

these determinations and judgments as to fair value may not accurately reflect the prices to actually purchase or sell such assets. Our Clients utilize a variety of valuation methodologies, which depend on a variety of inherently unreliable estimates and assumptions. These methodologies may vary from case to case and over time depending on a range of factors. A failure to properly value assets could have a material adverse effect on the returns earned by Clients.

- REIT Securities and Real Estate Securities. Our Clients may invest in real estate investment trusts (REITs) and the securities of other companies primarily engaged in real estate debt activities. Investment in REITs can have very similar risks to those described above relating to other real estate debt investments. Investments in REITs are also subject to special risks, such as restrictions on ownership and tax risks, including the risk of a REIT losing its status as a REIT. In addition, many REITs have small-to-medium sized market capitalizations, which may be more volatile than prices of large-capitalization securities and thus an investment in such securities may be less liquid.
- Interest Rates and Credit Spreads. Investments by our Clients in bonds and other fixed rate financial instruments may expose our Clients to risks related to changes in interest rates or credit spreads. Interest rates can fluctuate for any number of reasons, including as a result of changes in the fiscal and monetary policy of the federal government, geopolitical events or changes in general economic conditions. Changes in market conditions, including changes in interest rates, liquidity, prepayment or default expectations, and the level of uncertainty in the market for a particular asset class, may cause fluctuations in credit spreads. Changes to interest rates or credit spreads can adversely affect the valuation of our Clients' investments. In addition, interest rates may impact our Clients' use of any leveraged capital structure.
- Investing in Loans. When investing in any type of loan, there is always the risk that a borrower made a material misrepresentation or omission in the process of obtaining the loan. This inaccuracy or incompleteness can adversely affect the valuation of the collateral underlying the loan or can adversely affect our Clients' ability to perfect or effectuate a lien on the collateral securing the loan.
- Distressed Mortgage Loans. Our Clients may purchase mortgage loans on which the borrowers are or were having trouble making payments. These mortgage loans may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or losses due to fraud. Returns on investments in mortgage loans depend on a borrower's ability to make required payments and, if a borrower defaults, the ability of the loan's servicer to foreclose and liquidate the mortgage loan.
- Mezzanine and other Subordinated Loans. Our Clients may invest in mezzanine loans from time to time. Subordinated loans are an option a company might utilize when its assets are already pledged to secure a primary loan, but the company has a need for a secondary loan. Subordinated loans are often unsecured and by their terms are subordinated in right of payment of the borrower's more senior indebtedness, even if such indebtedness is incurred later in time. There are certain risks associated with investing in mezzanine and other subordinated debt. First, if the borrower defaults or becomes subject to bankruptcy proceedings, although our Client's investment will become immediately due, the holders of more senior indebtedness will have priority in payment over the debt held by our Clients. In this case, the borrower's assets would first be used to repay the senior lenders, so there is the risk that all or substantially all of the

borrower's assets will be unavailable to repay our Clients and other subordinate lenders. In addition, if our Clients attempt to enforce a borrower's obligations, our Clients could be subject to a borrower's claims of breach of contract or other unfair lending claims. If a borrower goes bankrupt, our Clients also run the risk of being included in bankruptcy proceedings, which can be costly and lengthy. Lastly, there can be no assurance that a borrower will repay its loans or that our Clients will ultimately be able to collect on any of the collateral pledged for the loans.

- Commercial Mortgage-Backed Securities. Commercial mortgage-backed securities are interests in packages of mortgage loans that are backed by commercial property, such as apartments and retail shops. Typically, mortgage loans on commercial properties are structured so that a substantial portion of the loan principal is payable at maturity (rather than during the course of the loan term). Thus, repayment of the loan principal often depends on the future availability of real estate financing or the current value and salability of the real estate. If real estate financing is unavailable at that time or borrowers are unwilling to refinance or dispose of encumbered property to pay off the loans, the loans may default.

Most commercial mortgage loans underlying mortgage-backed securities are non-recourse obligations, which means that there is no recourse against the borrower's assets other than confiscating and selling the property (foreclosure). Foreclosure can be costly and delayed by litigation or bankruptcy. When considering factors such as the property's location, the legal status of title to the property, the property's physical condition and financial performance, environmental risks and governmental disclosure requirements of the property's condition, a third party may be unwilling to purchase the property at a foreclosure sale or pay a price sufficient to satisfy all of the borrower's obligations. During the foreclosure process, the borrower may retain revenues from the underlying property or use the revenues to pay others, maintain insurance, pay taxes, or pay maintenance costs. Such diverted revenue generally cannot be recovered without a court-appointed receiver to control cash flow related to the property.

- Residential Mortgage-Backed Securities. Residential mortgage-backed securities are interests in packages of mortgage loans backed by residential property. Residential mortgage-backed securities yield higher returns and are rather liquid, as there is a large secondary market for them. On the other hand, holders of residential mortgage-backed securities bear various risks, including credit, market, interest rate, structural and legal risks. Residential mortgage loans are the borrowers' obligation only and are not typically insured or guaranteed by any other person or entity. The rate of defaults and losses on residential mortgage loans is affected by a number of factors, namely general economic conditions and economic conditions in the area in which the property is located, the borrower's equity in the mortgaged property and the borrower's financial circumstances. If a residential mortgage loan defaults, foreclosure can be a lengthy, difficult, and expensive process. In addition, the market for defaulted residential mortgage loans or foreclosed properties may be limited.

At any one time, a portfolio of residential mortgage-backed securities may be backed by loans with disproportionately large principal amounts secured by properties in only a few states or regions. As a result, these loans may be more susceptible to geographic risks, such as adverse economic conditions, adverse events affecting local industries and natural hazards, than would be the case for a package of mortgage loans having more diverse property locations. In addition, residential mortgage loans may include "jumbo" mortgage loans, having original principal

balances that are higher than is generally the case for residential mortgage loans. Consequently, this type of portfolio may experience increased losses.

Each underlying residential mortgage loan may have a balloon payment on its maturity date. A balloon payment mortgage is a mortgage which does not fully amortize over the term of the loan, and leaves a large balance due at maturity. Balloon mortgage loans involve a greater risk to a lender than fully-amortizing loans because the borrower's ability to pay the balloon payment often depends on its ability to obtain refinancing or sell the mortgaged property at a price sufficient to allow the borrower to make the balloon payment. If the borrower is unable to make its balloon payment, the related residential mortgage-backed security may experience losses.

- Asset-Backed Securities ("ABS"). Asset-backed securities are securities backed by assets other than mortgages or other mortgage-related assets. Credit card receivables, automobile, boat and recreational vehicle installment sales contracts, commercial and industrial bank loans, home equity loans and lines of credit, manufactured housing loans, corporate debt securities and various types of accounts receivable commonly support asset-backed securities. Asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, asset-backed securities do not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured and credit card debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give debtors the right to set off certain amounts owed on the credit cards, reducing their balance due. The risk of investing in asset-backed securities is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting asset-backed securities is of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. The value of an asset-backed security is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

- Collateralized Debt Obligations. Collateralized debt obligations are securitized interests in pools of generally non-mortgage assets. Collateralized debt obligation pools are split into different risk classes, or tranches, with "senior" tranches being the least risky. Interest and principal payments are made in order of seniority, so that junior tranches cost less and get paid more to compensate for additional risk. Holders of collateralized debt obligations only receive payment when the underlying borrowers make payments; otherwise the holders have no other recourse against the pool.

From time to time, the market for collateralized debt obligations has been adversely affected when there is not enough financing available to bundle into a pool, partly in response to regulatory pressures on financing providers to reduce or eliminate their exposure to collateralized debt obligations transactions.

Collateralized debt obligations often consist of concentrated portfolios of assets. The concentration of an underlying pool in any one borrower would subject the collateralized debt obligation to a great degree of risk should the borrower default. Similarly, the concentration of a pool in any one industry would subject the collateralized debt obligation to a great degree of risk should the industry experience an economic downturn.

The value of collateralized debt obligations generally fluctuates with, among other things, the financial condition of the borrowers of the underlying assets, general economic conditions, the condition of certain financial markets, political events, developments, or trends in any particular industry and changes in interest rates.

Finally, the underlying obligations that form collateral debt obligations are often given poor ratings by credit rating agencies. The lower ratings, as previously explained, reflect a greater possibility that adverse changes in an obligor's financial condition or in general economic conditions could affect the obligor's ability to make payments of principal or interest.

- Total Return Swaps. A total return swap is a contract between two parties under which one party makes payments based on a set rate, while the other party makes payments based on an underlying asset's return. The underlying asset is usually an index or a loan or bond. Total return swaps allow the party receiving the return to benefit from an asset without actually having to own it. Risks associated with total return swaps include the risk that the obligor of the underlying asset will default on its obligations and any risks associated with owning the underlying asset.
- Interest Rate Swaps. An interest rate swap is a contract between two parties under which parties exchange interest rates on a principal amount. The principal amount is never exchanged but is used to calculate each party's interest payments. For example, A pays B a fixed rate of interest on the principal and B pays A a variable rate of interest on the principal. There is always the risk that interest rates will go in an unanticipated direction, which could result in collateral calls and negatively affect our Clients' earnings. There is also the risk that the other party will default and be unable to complete the contract, which can result in losses to our Clients.
- Credit Default Swaps. Our Clients may enter into credit default swap agreements. The "buyer" in a credit default swap contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified structuring. Our Clients may either be the buyer or the seller in the transaction. As a seller, our Clients receive a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, our Clients typically must pay the contingent payment to the buyer, which typically is the "par value" (full notional value) of the reference obligation. The contingent payment may be a cash settlement or by physical delivery of the reference obligation in return for payment of the face amount of the obligation. If our Clients are the buyer and no credit event occurs, our Clients may lose the investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value.

Credit default swap agreements may involve greater risks than if our Clients had invested in the reference obligation directly. Credit default swap agreements are subject to general market risk, liquidity risk, counterparty risk and credit risk. As noted above, if our Clients are a buyer and no credit event occurs, our Clients will lose its investment. In addition, the value of the reference obligation our Clients receive as a seller if a credit event occurs, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value.

- Interest Rate Caps. Our Clients may enter into interest rate caps (i.e., call options on interest rates). The risks in trading options are different from the risks in trading the underlying instruments. For example, if our Clients buy an option, our Clients will be required to pay a “premium” representing the market value of the option. The value of an option may decline because of a decline in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset or any combination thereof. Unless the price of the underlying instrument or product changes and it becomes profitable to exercise or offset the option before it expires, our Clients may lose the entire amount of the premium.
- Floating-Rate Loans. Our Clients may invest in floating-rate loans in order to limit exposure to interest-rate risk. Floating-rate loans pay larger coupons as interest rates rise, which could have an adverse impact on the property including borrowers’ ability to pay debt. An increase in the amount of borrower defaults would increase our Clients loss rate on such loans and would have a negative impact on the performance returns. Additionally, transactions involving floating-rate loans typically have longer settlement periods than more traditional securities and often involve borrowers whose financial condition is troubled or highly leveraged which increases the risk of default. In addition, the value of the collateral securing the floating-rate loan may decline, causing the loan to be substantially unsecured.
- Lower Credit Quality Loans. Our Clients may make investments where there are no restrictions on the credit quality of the loans. Loans purchased may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which our Clients may fund have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.
- Credit Ratings. Credit ratings of debt securities are not a guarantee of quality. A credit rating represents only the applicable rating agency’s opinion regarding credit quality based on the rating agency’s evaluation of the safety of the principal and interest payments. In determining a credit rating, rating agencies do not evaluate the risks of fluctuations in market value. As a result, a credit rating may not fully reflect the risks inherent in the relevant security. Rating agencies may fail to make timely changes to credit ratings in response to subsequent events. In addition, to the extent that a rating agency rates a security at the request of an issuer, the rating agency has a conflict of interest in providing such rating.
- Currency and Exchange Rate Risks. A portion of our Clients’ investments, and the income received by our Clients with respect to these investments, may be denominated primarily in foreign currencies. However, the books of our Clients will be maintained, and contributions to and distributions from our Clients generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments and the amounts of distributions, if any, to be made by our Clients. In addition, our Clients will incur costs in converting investment proceeds from one currency to another.
- Hedging Policies. In connection with certain investments, our company, on behalf of a Client, or a Client’s portfolio companies may employ hedging techniques designed to reduce the risks of

adverse movements in interest rates, capital markets, and currency exchange. While these transactions can reduce certain risks, the transactions themselves often entail certain other risks. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, capital markets or currency exchange rates may result in a poorer overall performance for a Client than if there had not been any hedging transactions.

- Co-Investments. Clients may co-invest with other Clients or third parties through co-investment vehicles or other entities (including, in certain cases, Hunt affiliates). Such investments involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor has financial difficulties resulting in a negative impact on such investment; has economic or business interests or goals that are inconsistent with those of the applicable Client(s); or is in a position to take (or block) action in a manner contrary to the Clients' investment objectives. In those circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the participating Clients.
- Joint Ventures. Our Clients may enter into joint ventures with third parties or our affiliates to make investments and/or make investments in partnerships or other co-ownership arrangements or participations. Such investments may involve risks not otherwise present with other methods of investment, including, for example, the following:
  - the joint venture partner in an investment could become insolvent or bankrupt;
  - fraud or other misconduct by the joint venture partners;
  - decision-making authority may be shared with joint venture partners regarding certain decisions affecting the ownership of the joint venture and the joint venture property, such as the sale of the property or the making of additional capital contributions for the benefit of the investment, which may prevent our Client from taking actions that are opposed by the joint venture partner;
  - the joint venture partner may at any time have economic or business interests or goals that are or that become in conflict with our Client's business interests or goals;
  - the joint venture partner may be in a position to take action contrary to our Client's instructions or requests or contrary to our Client's policies or objectives; and
  - the terms of the joint ventures could restrict our Client's ability to sell or transfer its interests to a third party when it desires on advantageous terms, which could result in reduced liquidity.

Any of the above might subject our Client to liabilities and thus reduce its returns on its investment with that joint venture partner. In addition, disagreements or disputes between a Client and the joint venture partner could result in litigation, which could increase such Client's expenses and potentially limit the time and efforts its and the Adviser's personnel are able to devote to such Client's business.



We encourage our investors to consider all of the risk factors we have explained above and in any applicable Account Documents. Our Clients and any investors in our Clients risk the loss of their entire investment.

**Item 9 – Disciplinary Information**

There are no legal or disciplinary events to report regarding us or any of our directors, executive officers, or principals regarding any criminal or civil actions in a domestic, foreign, or military court.

Neither us nor any of our directors, executive officers, or principals has been involved in any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Neither us nor any of our directors, executive officers, or principals has been involved in any self-regulatory organization proceedings.

## Item 10 – Other Financial Industry Activities and Affiliations

We provide investment advice to our Clients. The general partners or managing members of our Clients are usually affiliated and under common control with us.

Certain Supervised Persons of our company are registered with Hunt Financial Securities, LLC, a limited liability company organized and existing under the laws of the State of Delaware and a FINRA member firm (“HFS”), a broker-dealer affiliated with our company. These Supervised Persons currently include: Marc DeFife and Maryann Hermann.

Certain of our Supervised Persons and the related persons may have personal investments in companies, limited partnerships, or limited liability companies, including partnerships, investment funds, and investments sponsored by our affiliate, Hunt Capital Holdings, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“HCH”), and its affiliates. To the extent that conflicts arise, they are reviewed by our compliance and legal personnel. Personnel of the Adviser and its affiliates will work on several projects at any time and, therefore, conflicts may arise in the allocation of personnel and other management resources. The Adviser and its affiliates are not required to manage any one Client as its sole and exclusive function, and the Adviser, its affiliates and their respective agents, officers, directors and employees may engage in or possess any interests in business ventures and may generally engage in other activities independently or with others, including the rendering of advice or services of any kind to other Clients and the making or management of other investments.

We seek to address any potential conflicts of interest in connection with our Clients by, (i) fully disclosing the relationship among our affiliates and our Company in our Client’s offering documents, or directly to the investor(s) in the Client and (ii) having the general partner, or an affiliate thereof, make a direct investment in each of our Funds. Although our company’s control of an applicable Fund’s general partner may give us heightened control and discretion over our Clients, we generally manage any potential conflicts of interest by strictly adhering to the investment strategy and business philosophy discussed in our Clients’ offering materials or management agreements.

The activities of Hunt ELP’s affiliates and investees include investment management, loan servicing, asset management, development, construction, consulting and advisory.

In addition to our company, Hunt ELP’s affiliates include, among others, HIM, International Housing Solutions S.à.r.l., Peak 8 Asset Management, LLC, Cazenovia Creek Investment Management, LLC, The Bankers Guarantee Title & Trust Company, and Hunt Capital Partners, LLC. Hunt ELP is an indirect subsidiary of HCI, a privately-held company that, together with its affiliates, focuses on public-private ventures, renewable and alternative energy projects, military housing, mixed-use real estate, multi-family housing, master-planned communities, office, and retail development projects. In addition to our company, HCI’s affiliates include, among others, Hunt Building Company, Ltd., Amber Infrastructure Group Holdings Limited, Hunt Development Group, LLC, HBC Construction Managers, LLC, Hunt Warehouse Holdings, LLC, and Hunt Companies Business Services, LLC. Additional information about certain affiliated entities is available via the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We intend to use the services of HCH, HCI or their affiliates in connection with rendering advisory services to our Clients. Depending on the types of services, the fees for those services may be paid by our Clients or covered by our company. We continuously seek to ensure that any fees paid to our

affiliates by our Clients do not exceed an amount that would generally be charged by unrelated third parties performing similar services. Arrangements such as these can create potential conflicts of interest in that our company could be viewed as placing our interests and the interests of our affiliates ahead of our Clients' best interests. To the extent required by the Advisers Act, we will notify our Clients of potential conflicts of interest and obtain their consent prior to transactions with affiliates.

We have developed a protocol to mitigate any potential conflicts of interest that may arise in connection with allocation of investment opportunities among Clients. Under our allocation policy, which is an attachment to our compliance manual, investment and allocation decisions will be based on the investment characteristics and take into consideration the following (unless otherwise noted): (i) mandated allocations as required by our agreements with our Clients; (ii) the suitability of an investment to a Client's investment criteria; (iii) the discretionary vs. non-discretionary requirements of the Client; (iv) the ability of a Client to meet the timing and capital needs of a respective transaction; and (v) whether an investment is complementary to the existing investments of a Client after taking into account concentration and diversification factors. If an investment opportunity is equally suited for more than one Client, the investment will be allocated based upon a pro-rata or rotation system. For more information, see Item 11 below.

We have adopted policies and procedures that all principal transactions (i.e. investment transactions between the Advisor or a related party and a Client) will be conducted at arm's length, and we will obtain consents from the applicable Clients when necessary. For more information, see Item 11 below.

HFS an affiliate of the Adviser, is a registered broker-dealer. Broker-Dealers must file Form BD to register with the SEC, the self-regulatory organizations, and jurisdictions through the Central Registration Depository system, operated by FINRA.

Hunt Companies Business Services, LLC, an administrative services firm and an indirect subsidiary of HCI, provides the Adviser with access to resources that supplement back office functions and personnel, including, but not limited to, services such as IT, tax, insurance, human resources/payroll, and legal.

We do not recommend or select unaffiliated investment advisers for our Clients, receive compensation directly or indirectly from unaffiliated investment advisers that create a material conflict of interest, or have other business relationships with unaffiliated investment advisers that create a material conflict of interest.

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

Under certain circumstances, we may recommend to Clients, or buy or sell for Clients, securities at the same time we, our affiliates or our Supervised Persons buy or sell the same securities. In addition, we, our affiliates and/or our Supervised Persons may co-invest with Clients and may invest directly in Client accounts that we or our affiliates manage. Any of the foregoing could potentially create a conflict of interest. To address these and other conflicts of interest, we have established a code of ethics that sets forth standards of ethical conduct for our Supervised Persons and the employees of our affiliates and subsidiary companies. In addition, we have established policies and procedures that address, among other things, potential conflicts of interest that may arise in the management of the Clients that we sponsor.

The code of ethics includes specific practices and policies to ensure that our Supervised Persons and the employees of our affiliates and subsidiary companies fulfill their fiduciary responsibilities of honesty, good faith, and fair dealing, and place our Clients' interests over our interests and the interests of our Supervised Persons. All Supervised Persons are expected to strictly adhere to the practices and policies set forth in the code of ethics, as well as the procedures for approval and reporting requirements established therein. The code of ethics includes specific procedures and policies relating to the required approval and reporting of personal securities and real estate transactions for all access persons, required securities holding reports, insider trading education and prohibitions and annual training certification filings to assure compliance with the code of ethics on an ongoing basis. All required reports are submitted and reviewed by our chief compliance officer.

In addition, the code of ethics contains specific policies regarding gifts, prohibitions on insider trading, and the handling of confidential or non-public information that we, our subsidiaries or other affiliates, our Supervised Persons, and/or the employees of our subsidiaries or other affiliates may receive in the course of providing services to our Clients. All Supervised Persons must also obtain pre-clearance from our chief compliance officer for any political contributions over a de minimis amount. The code of ethics also provides for a range of sanctions, as deemed appropriate by our senior management, should anyone violate the provisions set forth therein. These sanctions include, but are not limited to, a warning, fines, disgorgement, suspension, or termination of employment.

Hunt Capital Management operates under a code of ethics adopted in accordance with Rule 204A-1 of the Adviser's Act, and a set of written policies and procedures adopted and implemented in accordance with Rule 206(4)-(7) of the Adviser's Act, all of which are administered by our chief compliance officer. We will provide a copy of our code of ethics to any prospective Client, any Client, or any investor in our Clients upon request.

Under certain circumstances, we may recommend to Clients, or buy or sell for Clients, securities in which we or our affiliates have a material financial interest, including in Funds. Because our affiliates act as the general partners of our Funds, we have a material interest that could create conflicts that must be managed. In addition, we or our affiliates serve as the general partner or the investment manager to certain Clients in which other Clients invest (pursuant to their investment strategies). In order to minimize any conflict of interest, if a Managed Account Client invests in a Fund, we waive the management fees and performance-based compensation charged at the Fund level to ensure that we do not receive double fees on these investments.

Additionally, we or one of our affiliates may sell or purchase CMBS, ABS, or interests in real estate loans to or from a Client. This could potentially create a conflict of interest between us and a Client

because we have an incentive to negotiate more favorable terms for us or our affiliates at the expense of our Client. In this instance, we will seek to (i) ensure that these transactions are conducted at an arm's-length basis, and (ii) obtain Client consent prior to the consummation of any such transactions. To the extent that any fees are assessed to one of our Clients in a principal transaction involving us or one of our affiliates, we will seek to ensure that the fees do not exceed amounts that would be paid to unrelated third parties performing similar services.

We may also originate for a fee from borrowers or Clients debt investment opportunities for Clients. We or one of our affiliates may receive origination or disposition fees for the acquisition or sale of debt investments.

The investment activities conducted by us on behalf of any Client may be directly or indirectly competitive with the interests of other Clients, and, in such cases, conflicts may arise in determining whether an investment opportunity will be offered to any individual Client. In light of these potential conflicts of interest, we have an allocation policy to allot investment opportunities based upon each of our Clients' stated investment objectives and mandates and any applicable allocation policy entered into between us and a Client. However, for real estate debt-related investments, certain tax-exempt bonds and certain transitional floating-rate loans, we may give or be required to give priority to a particular Client. In all cases, allocation requirements (if any) set forth in a Client's Account Documents will control. Following this priority allocation, if the investment opportunities are suitable for one or more Clients, transactions will be allocated on a fair, equitable and consistent basis over time.

For Client assets subject to the Employee Retirement Income Security Act of 1974 (as amended, "**ERISA**"), we have adopted policies and procedures to meet the law's requirements. Specifically, we have adopted policies to prohibit: (i) exercising control over ERISA plan assets in our own interest or for our own account; (ii) representing any other party in a transaction with ERISA plan assets whose interests are adverse to the interests of the plan; and (iii) receiving compensation from a third party in connection with a transaction involving ERISA plan assets.

We may buy and sell the same security between Clients when we believe that such a transaction would be advantageous or otherwise beneficial to each of the Clients involved. For example, a cross trade may be effected in a less liquid or otherwise difficult to transact in security, when, in the professional opinion of our advisory personnel, it would reduce the risk of market impact or otherwise reduce the costs associated with the contemplated trade. As a result of their affiliation with us, our personnel may be permitted to invest in classes of securities or shares offered by Funds or funds managed by our affiliates that result in such personnel paying less in terms of fees and expenses than Clients (or, as applicable, their investors) pay for the same investment.

We and our affiliates, clients and funds for whom they act as investment adviser (collectively, "**Hunt Parties**"), on the one hand, and a particular Client, on the other hand, may invest in or extend credit to different parts of the capital structure of a single issuer, or more generally, in a transaction. In addition, Hunt Parties may have other ongoing relationships with, or have other economic interests in, issuers or transactions that are different than those of a particular Client. The actions of the Hunt Parties in such instances will be taken based upon their own respective interests and that interest may conflict with, and adversely affect, the interests of the particular Client.

The Hunt Parties may serve as sponsor, general partner, portfolio manager or investment adviser to Clients that invest in different parts of the capital structure of the same issuer or vehicle, or in classes

of securities that are subordinate or senior to the securities invested in by, a particular Client. The Hunt Parties may take action (or refrain from taking action) with respect to an issuer or vehicle in which a particular Client has invested, and such actions (or refraining from action) may have an adverse effect on the particular Client. In connection with the foregoing, the Hunt Parties may consult with us regarding such actions (or refraining from action), and we may, in accordance with applicable law, make investment recommendations and decisions that may be the same as, or different from, those made with respect to a particular Client.

We, as well as our affiliates and Supervised Persons, may co-invest with Clients and may invest directly in Clients that we or our affiliates manage. Additionally, certain portfolio managers may receive a portion of the carried interest from Funds received by an affiliate of our company. In order to prevent any conflicts of interest, affiliations of this nature are disclosed to Clients and investors in our Clients, and our company has adopted a pre-clearance policy for certain personal trades.

As a result of the various conflicts and related issues described above (or otherwise detailed in any relevant Account Documents) and the fact that conflicts will not necessarily be resolved in favor of the interests of particular Client, Clients could sustain losses during periods in which we and other Clients achieve profits generally or with respect to particular holdings in the same issuer, or could achieve lower profits or higher losses than would have been the case had the conflicts not existed.. To address these and other conflicts of interest, our code of ethics has specific procedures and policies relating to the required approval and reporting of personal securities and other transactions for all access persons, including required securities holding reports.

The Funds and/or Hunt Capital Management and its affiliates may enter into side letters, letters of understanding or similar arrangements granting investors or third parties different rights, terms or conditions (including, without limitation, reductions in management fees, performance compensation, withdrawal, transparency, expenses, revenue share, reporting, “most favored nations”, indemnification and exculpation or other preferential terms, such as access to co-investment opportunities) (“**Side Letters**”) without notice or consent of other investors. No Side Letter provided to an investor or a third party by a Fund and/or us or any of our affiliates will necessarily entitle any other investor or third party (who do not otherwise also have in place Side Letters) to the rights granted in such Side Letter.

## Item 12 – Brokerage Practices

Because our Client's investments are made on a negotiated basis, opportunities for trade executions are less common than, for example, accounts that trade primarily in public equities. On those rare occasions that we execute trades on behalf of our Clients, our Supervised Persons must demonstrate compliance with broker selection, recordkeeping, and other requirements related to trading, including "best execution," as well as the Account Documents for each Client, which set forth investment objectives and guidelines in connection with managing such Client's account.

To the extent we have complete investment and brokerage discretion over our Clients' accounts, we will select broker-dealers for our Clients' securities transactions and determine the reasonableness of their compensation based on a number of factors, including the following:

- the financial strength, integrity and stability of the broker-dealer;
- the ability to effect prompt and reliable executions at favorable prices (including the applicable broker-dealer spread or commission, if any);
- the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution;
- the broker-dealer's risk in positioning a block of securities; and
- the competitiveness of commission rates in comparison with other broker-dealers satisfying our other selection criteria.

Hunt Capital Management and the broker-dealer will determine the amount of commission to be paid to the broker-dealer; provided, however, that in the event that we enter into arrangements with an affiliated broker-dealer, we will only pay commissions to the affiliated broker-dealer that do not exceed the amount generally charged by third-party broker-dealers for comparable services.

Research and Soft-Dollar Benefits. We do not use Client commissions to acquire brokerage and research services pursuant to soft dollar transactions.

Brokerage for Client Referrals. In limited circumstances, we may use a broker where a division or affiliate of the broker may have referred or may refer investors to our Clients. We may be deemed to have a potential conflict of interest in receiving referrals in that we may have an incentive to select those brokers. In order to mitigate such a conflict, we focus on the criteria set forth above when selecting brokers.

Directed Brokerage. In limited cases, our Clients can direct us to effect transactions through specific brokers. We will use those brokers when the best price and execution are not sacrificed; however, a Client's insistence on the use of one or more particular brokers can have a materially adverse effect on the quality of execution that is available to such Client and therefore can negatively impact the performance of the Client over time. Among other things, Clients that direct our use of brokers may pay higher transaction costs, be excluded from aggregated orders, and trade after our other Clients have traded.

Because investments are made on a negotiated basis, opportunities for trade aggregation do not exist.



**Item 13 – Review of Accounts**

We maintain comprehensive review procedures for the ongoing monitoring of our Clients' accounts. The Supervised Persons of our company and our affiliates serve on the investment committees for the Funds, and they routinely monitor the portfolio investments. Their reviews focus on changes in economic, political or market conditions. We review each of our Clients' portfolios quarterly, or more frequently in the event of a material event affecting a portfolio.

We frequently monitor portfolio investments for events that have a material impact on our original investment thesis. Any change to an investment thesis necessitates a review by the managers of the merits of the investment.

Investors in our Clients generally receive quarterly unaudited financial statements and investor reports along with annual audited financial statements. In addition, a portfolio management's discussion letter regarding the results of operations, management, market environment, investment performance and other matters of a Client may be sent to investors in our Clients. Additional reports are available upon request.

**Item 14 – Client Referrals and Other Compensation**

Pursuant to the requirements of the Advisers Act, we utilize the services of affiliated or unaffiliated SEC-registered investment advisers, broker-dealers, and placement agents to refer Clients for our products. We compensate such firms for Client referrals that result in the provision of investment advisory services by Hunt Capital Management. This compensation may be paid directly or indirectly by a Client through an offset to the management fees otherwise payable by such Client. Compensation under these solicitation arrangements is determined by means of an asset-based fee. Such fees do not result in additional costs to the investors. From time to time, we may enter into additional solicitation arrangements and may compensate persons for Client referrals. All such payments will comply with Rule 206(4)-3 of the Advisers Act and other applicable securities laws.

## **Item 15 – Custody**

Some assets of our Clients are expected to be held in custody by unaffiliated broker/dealers or banks that serve as qualified custodians; however, we may be deemed to have custody of certain of our Clients' funds or securities because our affiliates serve as the general partner or managing members of that Client. Investors in these Clients will not receive statements from the custodian. Instead, each of these Clients is subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to investors in each of these Clients. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of a Client's fiscal year end.

For Clients that invest in certain privately-offered securities, custody rules do not require that we maintain securities at a qualified custodian, if the securities are uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the Client and can only be transferred with the consent of the issuer. In addition, the financial statements of Funds that hold uncertificated securities must be audited annually and the audited financial statements prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

## **Item 16 – Investment Discretion**

We accept discretionary authority to manage certain Clients' accounts. Despite this broad authority, we are committed to adhering to the investment strategy and program set forth in our Clients' respective Account Documents. These documents cover matters such as the types and amounts of assets of which a Client's portfolio will consist, portfolio allocation limitations and the degree of risk assumed by a Client's portfolio. Before accepting the discretionary authority inherent in managing our Clients' accounts, we carefully review the investment strategies and investment programs set out in our Clients' Account Documents.

Before accepting subscriptions for interests in a Fund, we provide all potential investors with an offering document that sets forth, in detail, the investment strategy and program for such Fund. By completing subscription documents to acquire an interest in one of the Funds, investors may give us complete authority to manage their investments in accordance with the offering document they each received.

Prior to providing investment advice to a Managed Account, we may require the Managed Account client to appoint us as agent and attorney-in-fact of its portfolio. In this way, we receive limited power of attorney that permits us to buy and sell any investment that we determine, subject to any limitations that may be imposed in the applicable managed account agreement. In some cases our Managed Account clients may retain discretionary authority.

## Item 17 – Voting Client Securities

We generally invest our Clients' assets in debt securities or companies that issue non-voting securities; therefore, we do not often receive proxies and are not called upon to vote proxies. However, if a company in which we invest our Clients' assets solicits proxies from its investors, we will vote its proxies according to our proxy voting policy. Our primary consideration in voting portfolio proxies would be the financial interests of the specific Client.

One of the primary factors we consider when determining the desirability of investing in the securities issued by a particular company is the quality and depth of its management. Accordingly, we believe that the recommendation of management on any issue should be given substantial weight in determining how proxy issues are resolved. As a matter of practice, we will vote on most issues presented in a proxy statement in accordance with the position of the company's management, unless we determine that voting in accordance with management's recommendation would adversely affect the investment merits of owning the stock. However, we will consider each issue on its own merits, and will not support the position of the company's management in any situation where, in our judgment, it would not be in the best interests of the applicable Client to do so.

In reviewing proxy statements, we will seek to identify any potential conflict of interests with the issuing company. Conflicts of interest may be presented in certain situations, for example, where we maintain a significant business relationship with the company, or where we or our personnel have significant personal or family ties to the company. Once identified, we will determine on a case-by-case basis if the conflict is material. If material, we will determine, in light of all the facts then currently available, the manner by which to proceed in the best interest of our Client. This may, or may not, include abstention from voting the proxy. We will document our decision-making process with respect to resolving material conflicts of interest. In addition to the foregoing, if any conflict of interest arises in connection with voting our Clients' securities, we observe the following guidelines:

- We normally vote to maintain or create a majority of independent directors on a board of directors as a whole as well as on its audit, compensation, and nominating committees.
- We normally vote to limit an auditor's engagement solely to the provision of tax and audit work.
- We vote to limit the total compensation of management to a level that is appropriate with its performance.
- We normally vote against poison pills, different classes of stock and other methods designed to insulate management from the desires of their shareholders. (A poison pill is a strategy that corporations use to discourage hostile takeovers by making their stock appear less attractive to potential acquirers.)
- We normally vote in accordance with actions taken to maximize the company's long-term value without regard to "social responsibility" issues, except to the extent that those issues may affect the long-term value of the business.

There may be limited situations in which we do not have the authority to vote Client proxies in a certain manner. Upon request, our Clients' investors can obtain (i) a copy of our proxy voting policies and procedures, and (ii) information concerning proxy votes on our Clients' behalf. We maintain the following records relating to proxy voting in our office:

- Copies of our proxy voting policies and procedures and any amendments.
- Proxy statements received for Client securities.
- Records of proxy votes cast on behalf of our Clients.

**Item 18 – Financial Information**

Not applicable.