

FORM ADV PART 2A:
FIRM BROCHURE

Sound Point Commercial Real Estate Finance LLC

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This brochure provides information about the qualifications and business practices of Sound Point Commercial Real Estate Finance LLC (“SPCREF”). If you have any questions about the contents of this brochure, please contact Lily Wicker, Chief Compliance Officer, at 212-468-5784 or compliance@soundpointcap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SPCREF is also available on the SEC’s website at www.adviserinfo.sec.gov.

Being a “registered investment adviser” or describing SPCREF as being “registered” does not imply a certain level of skill or training.

**THIS BROCHURE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE
SOLICITATION OF ANY OFFER TO BUY ANY SECURITY.**

Item 2. Material Changes

If SPCREF makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

This is SPCREF's initial Form ADV Part 2A as submitted for registration with the SEC on February 18, 2021.

We encourage all clients and prospective clients to review this Brochure carefully and in its entirety.

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Item 4. Advisory Business

Sound Point Commercial Real Estate Finance LLC (“SPCREF”) is a privately-owned, Delaware limited liability company formed in November 2020.

SPCREF’s primary investment strategy is to originate first mortgage loans on wholly owned commercial real estate in the United States, primarily focused on bridge loans or properties undergoing a business model transition. By nature, these loans are illiquid and difficult to value post-purchase. SPCREF may also invest in mortgage backed securities and other more liquid investments as a supplemental investment strategy. While the relevant investment management agreements would provide specific investment objectives and guidelines by account, SPCREF’s general investment objective is to preserve and protect invested capital while earning a return commensurate with the market for the corresponding risk tolerance of each account holder..

SPCREF is principally owned by Sound Point Capital Management, LP (“Sound Point”). In addition, a minority interest in SPCREF is owned by Aflac Asset Management LLC (“AAMLLC”), a subsidiary of Aflac Incorporated (collectively “Aflac”). AAMLLC does not have authority over the day-to-day operations or investment decisions of SPCREF as they relate to the Client Accounts (as defined below), although it has negotiated certain minority protection and consent rights in connection with its investment in SPCREF.

In addition to Sound Point, SPCREF is affiliated with Sound Point CLO C-MOA, LLC (“SP C-MOA”), Sound Point CRE Management, LP (“CRE”) and SPCRE InPoint Advisors, LLC (“SPCRE”, and together with Sound Point, SP C-MOA and CRE, “Affiliates”).

Sound Point is a privately-owned credit asset management firm that is registered with the SEC. Sound Point limited partners and principal owners are Ketchum Partners LLC, a Delaware limited liability company controlled by Stephen Ketchum who is also Managing Partner and Chief Investment Officer of Sound Point, Dyal Capital Partners II (A), LP and five senior principals of Stone Point Capital LLC (“Stone Point”), a private equity firm. James Carey, one of Stone Point’s senior principals, serves on Sound Point’s Board of Managers. Sound Point operates independently of Stone Point and is managed by SPC Partners GP, LLC, a Delaware limited liability company that is wholly owned by Stephen Ketchum.

Further, Dyal Capital Partners II (A), LP and Dyal Capital Partners II (B), LP (together, the “Dyal Funds”), private funds managed by an affiliate of Neuberger Berman, hold minority equity interests in Sound Point and Sound Point GP Parent, LLC, respectively. Neither of the Dyal Funds nor any affiliate of Neuberger Berman is involved in the day-to-day management of Sound Point or SPCREF or have any control over the investment decisions of SPCREF.

SPCREF is also under common control with SP C-MOA, an SEC-registered investment adviser that provides advisory services to private funds and European securitized asset pools, and with CRE and SPCRE, each an Exempt Reporting Adviser that provides advisory services to a real estate investment trust.

As of February 18, 2021, SPCREF managed \$0 of regulatory assets on a discretionary basis and \$0 of regulatory assets on a non-discretionary basis.

SPCREF currently does not participate in wrap fee programs.

For further discussion of these and related items, see **Item 7** (Types of Clients), **Item 8** (Methods of Analysis, Investment Strategies and Risk of Loss) and **Item 10** (Other Financial Industry Activities and Affiliations).

Item 5. Fees and Compensation

Management Fees and Performance-Based Compensation

SPCREF may receive fees from accounts it manages and in which it is invested (collectively, the “Client Accounts”).

SPCREF is generally paid an advisory fee, quarterly in arrears, based on a specified percentage of the average aggregate value of the Client Accounts’ assets over such quarter, where the value of each asset shall be the value determined in accordance with SPCREF’s valuation policies, or as otherwise agreed upon with the relevant Client Accounts. SPCREF may also be paid an incentive fee from the Client Accounts based on it achieving certain target returns.

SPCREF may, in its discretion, waive, reduce or rebate any of its advisory fees.

The fees charged to clients in the future may be the same as or different than that fees described herein.

Expenses

Generally, SPCREF bears its own costs and expenses related to its overhead, such as rent and utilities, or personnel costs for individuals who perform services for SPCREF. However, Client Accounts generally pay or reimburse SPCREF for certain account expenses under the terms of the relevant investment management agreements. Where appropriate, SPCREF’s portion of certain operating expenses, including costs associated with shared personnel of Sound Point, is shared equitably with its Affiliates.

Expenses related to SPCREF investments are generally borne by the borrower.

SPCREF, or its applicable affiliate, may, in its discretion, agree to limits on and/or to rebate a portion of the expenses that a Client Account may bear.

As a result of Stone Point’s or Dyal’s dynamic roster of portfolio companies and partners, Sound Point may find after the fact that a third-party service provider it utilizes is directly or indirectly affiliated with Stone Point or Dyal. If a third-party service provider is already deeply imbedded in Sound Point’s infrastructure, it is virtually impossible for Sound Point to change service providers. Regardless of a service provider’s affiliation, expenses arising from such relationships are allocated to Client Accounts in accordance with SPCREF’s expense allocation policy.

If a contemplated third-party service provider is affiliated with Stone Point or Dyal, SPCREF will conduct the same due diligence on such service provider as it would to non-affiliated service providers.

For a further discussion of these and related items, see **Item 12** (Brokerage Practices).

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

A description of the fees received by SPCREF is provided above in **Item 5**. While SPCREF does not

currently receive performance-based compensation, the receipt of such compensation may create an incentive for SPCREF to make investments that are riskier or more speculative than would be the case in the absence of a performance-based compensation arrangement. Furthermore, to the extent SPCREF receives performance-based compensation from one Client Account but not another, this creates a conflict of interest because the financial benefit from managing a Client Account for which SPCREF receives such performance-based compensation, may provide an incentive for SPCREF to favor such Client Account.

SPCREF is required to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to its Client Accounts but SPCREF and the Affiliates are not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities, or any restrictions on the nature or timing of investments for the Client Accounts. SPCREF addresses this conflict through the application of its trade allocation procedures. SPCREF, both in real-time as well as periodically, reviews allocation of investment opportunities and sequencing of transactions to determine whether Client Accounts are treated fairly.

For a further discussion of these and related items, see **Item 5** (Fees and Compensation) and **Item 10** (Other Financial Industry Activities and Affiliations).

Item 7. Types of Clients

SPCREF intends to provide investment advisory services to separately managed accounts. Certain of these Client Accounts are affiliated with SPCREF or AAMLLC. At times, the same Client Account may have a subset its assets managed by SPCREF while another subset managed by the Affiliates. Also, beneficial owners of certain Client Accounts may be persons or entities associated with SPCREF, Sound Point, or AAMLLC.

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

In managing the Client Accounts, SPCREF intends to primarily focus on commercial real estate debt, including first mortgage loans, subordinate mortgage and mezzanine loans, and participations in such loans, and commercial real estate securities, such as commercial mortgage-backed securities, or CMBS, senior unsecured debt of publicly traded real estate investment trusts, or REITS, and collateralized debt obligation notes, or CDO notes. SPCREF may also invest in select equity investments in single-tenant, net leased properties. In all cases, the relevant investment management agreements will govern the investment universe for the Client Accounts.

Material Investment Risks

There are several general risks relating to the intended investment strategy of the Client Accounts, including, but not necessarily limited to, the following:

Investment and Trading Risks. SPCREF will invest the Client Accounts in commercial real estate debt and securities investments, which are subject to the risks typically associated with real estate, including, but not limited to; local, national and international economic conditions; real estate conditions, such as an oversupply of or a reduction in demand for real estate in an area; lack of liquidity inherent in the nature of the asset; tenant / operator mix and the success of the tenant / operator business, and tenant / operator's financial strength and liquidity; property management decisions; property location and conditions; competition from comparable properties; the ability to collect on a timely basis all rent; the effects of any bankruptcies or insolvencies; the expense of leasing, renovation or construction; changes in interest rates and in the availability, cost and terms of mortgage financing; unknown liens being placed on the

properties; bad acts of third parties; the ability to refinance mortgage notes payable related to the real estate on favorable terms, if at all; changes in governmental rules, regulations and fiscal policies; tax implications; changes in laws, including laws that increase operating expenses or limit rents that may be charged; the impact of present or future environmental legislation and compliance with environmental laws, including costs of remediation and liabilities associated with environmental conditions affecting properties; cost of compliance with the Americans with Disabilities Act; adverse changes in governmental rules and fiscal policies; social unrest and civil disturbances; acts of nature, including earthquakes, hurricanes and other natural disasters; terrorism; the potential for uninsured or underinsured property losses; adverse changes in state and local laws, including zoning laws; and other factors which are beyond our control.

Investing in debt securities and assets, particularly loans backed by a single or a concentrated commercial real estate entity, involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that SPCREF's investment management will be successful. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the investments managed by SPCREF.

General Economic Conditions. Significant risks may exist as a result of uncertain economic conditions. These risks include, among others, (i) the possibility that, on or after the closing date of a loan, the value of the relevant commercial real estate will have deteriorated from their effective purchase price and (ii) the illiquidity of the loans, as there is no secondary trading in the instruments. General market conditions may reduce opportunities for SPCREF to originate loans or increase refinancing risk in respect of existing loans. A slow, delay or reverse on economic recovery may cause deterioration in loan performance generally. A slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of borrowers to repay or refinance their existing debt and may impact their cashflow generally.

Pandemic Disruption.

The outbreak of COVID-19 in many countries, including the United States, continues to significantly and adversely impact global commercial activity, which impact the type of assets that SPCREF invests in. The global impact of the outbreak has been rapidly evolving, and as additional cases of the virus have continued to be identified, the governments of the United States and many other countries have taken drastic measures intended to slow the spread of the pandemic and to counter the disruption to economic activity that is resulting from both the pandemic and actions intended to slow the pandemic. Recent actions by U.S. federal, state and foreign governments to address the pandemic, including travel restrictions or bans and school, business and entertainment venue closures, may have a significant adverse effect on the markets in which the borrowers conduct their businesses.

The current outbreak, as well as any future pandemic outbreaks, could have a continued significant adverse impact on economic and market conditions and exacerbate or trigger a period of global economic slowdown. The rapid development and fluidity of pandemic situations precludes any prediction as to the ultimate adverse impact of COVID-19 or any future pandemic outbreak. Nevertheless, COVID-19, and possible future pandemic diseases, present material uncertainty and risk with respect to economic and market conditions, corporate earnings and loan performance, and the ability of borrowers to service their debt, the value of commercial real asset and associated loans, and the ability of borrowers to make timely payments on the loans.

In addition, the operations of SPCREF may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including the

potential adverse impact on the health of the personnel of SPCREF or the personnel of SPCREF's key service providers.

Credit Risks of Debt Obligations. SPCREF will invest the Client Accounts in debt portfolios, which are subject to Credit Risk and Interest Rate Risk.

“Credit Risk” refers to the likelihood that a borrower will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of a borrower are the primary factors influencing Credit Risk. In addition, inadequacy of collateral or credit enhancement for a debt instrument or loans may affect its Credit Risk. Credit Risk may change over the life of an instrument, and debt obligations which are rated by rating agencies are often reviewed and may be subject to downgrade.

“Interest rate risk” refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Reliance on Corporate Management and Financial Reporting. SPCREF may select investments for the Client Accounts in part based on information and data provided by the borrowers. Although SPCREF will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, SPCREF will not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be readily available. SPCREF is dependent upon the integrity of the management of these borrowers and of loan servicers (if applicable) and the financial and collateral performance reporting processes in general. Recent events have demonstrated the material losses can incur as a result of corporate mismanagement, fraud and accounting irregularities. Similar risks exist when SPCREF evaluates economic soundness of counterparties for derivatives and repurchase agreements.

Borrower Risk, including Fraud. Borrowers in the commercial real estate space may be individuals or entities that are not regulated, thus potentially increasing the risks that they may be bad actors or otherwise present heightened regulatory concerns despite SPCREF's good faith efforts to due diligence these borrowers prior to investing. A concern is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the loans, or may adversely affect the ability of SPCREF to perfect or effectuate a lien on the collateral securing the loans. SPCREF will rely upon the accuracy and completeness of representations made by the borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances in connection with a bankruptcy proceeding involving the borrower, payments or other distributions to SPCREF's Client Accounts may be reclaimed if any such payment or distribution is later determined to have been fraudulent conveyance or a preferential treatment.

Third Party Appraisal Risk. Third party appraisals of assets are generally required or obtained in connection with acquisition of an asset based loans. There is no assurance that any valuation or reports produced by such third party appraisers actually reflects an amount that would be realized upon a current sale of the related assets and may materially impact the value of the loans originated by SPCREF's Client Accounts. Moreover, such a valuation is not indicative of the value of the assets at any time after the date

of such valuation. Future values may depend on a variety of factors, some of which may not be foreseen. In the event of a default by a particular borrower, there may well be factors present that reduce the value of the assets that secure the asset-based loan. The value of the collateral securing an asset-based loan of a borrower in liquidation generally will be less than the value of such collateral when used as part of an operating business in good standing. As a result, there is no assurance that the value of the collateral securing any loans will equal or exceed the amount of the obligation at any time.

Counterparty Risk. Some of the markets in which SPCREF may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of “exchange-based” markets are subject. This exposes the Client Accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Client Accounts has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for Creditors. The Client Accounts are not restricted from concentrating any or all of its transactions with one counterparty. The ability of the Client Accounts to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

Credit Analysis and Credit Risk. The strategies utilized by SPCREF require accurate and detailed credit analysis of borrowers and there can be no assurance that SPCREF’s analysis will be accurate or complete. The Client Accounts may be subject to substantial losses in the event of credit deterioration or bankruptcy of one or more borrowers in its portfolio.

Illiquid Securities and Valuation. A significant portion of the Client Accounts’ assets is expected to be illiquid. Market prices for such securities are often volatile and may not be ascertainable. Without an active market for such investments, there may be circumstances where SPCREF is unable to dispose of an investment expeditiously or within an ideal time period or at an anticipated value. SPCREF values these investments based on its estimate, or an independent third party’s estimate, of their fair value as of the date of determination, which often involves significant subjectivity. There is no single standard for determining fair value in good faith and in many cases fair value is best expressed as a range of fair values from which a single estimate may be derived. SPCREF estimates the fair value of investments based on third-party models or models developed by SPCREF. The actual results related to any particular investment can vary materially as a result of the inaccuracy of the estimates and assumptions used in these models. Because such valuations will be inherently uncertain, may fluctuate significantly over short periods of time and will be based on estimates and other material assumptions, SPCREF’s determinations of fair value may differ materially from the values that would have been used if a readily available market for these investments existed and may differ materially from the values that a Client Account may ultimately realize on such investments.

“Widening” Risk. The prices of the debt instruments in which SPCREF invests may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not be trading at even more “undervalued” levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk.

Limited Diversification. The Client Accounts may make investments that are concentrated in a particular characteristic, such as type of asset (e.g., commercial real estate) or a particular geographic area. This limited diversity exposes the Client Accounts to significantly greater volatility than in a more diversified

portfolio.

Lender Liability; Equitable Subordination. In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (commonly referred to as “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other Creditors or stockholders.

Loan Participations. SPCREF may invest the Client Accounts in loan participations. Investment in loan participations involves certain risks in addition to those associated with direct loans. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such loan agreement. A participant in a syndicated loan generally does not have the voting rights, which are retained by the lender. In addition, a loan participant is subject to the Credit Risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan. SPCREF will conduct reasonable due diligence to ensure that it acquires participations from sellers determined to be creditworthy.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Client Accounts purchase a 5-year bond in which it can realize a coupon rate of five percent (5%), but the rate of inflation is six percent (6%), then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Client Accounts are exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

LIBOR Risk. Certain of the assets in which the Client Accounts are invested and intends to invest in earn interest at a floating rate based on the London Interbank Offered Rate (“LIBOR”). Regulators and law-enforcement agencies from a number of governments, including entities in the United States, Japan, Canada and the United Kingdom, have conducted and continue to conduct civil and criminal investigations into whether the banks that contributed to the British Bankers’ Association (the “BBA”) in connection with the calculation of daily LIBOR may have underreported or otherwise manipulated or attempted to manipulate LIBOR. Several financial institutions have reached settlements with the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice Fraud Section and the United Kingdom Financial Conduct Authority (the “FCA”) in connection with investigations by such authorities into submissions made by such financial institutions to the bodies that set LIBOR and other interbank offered rates. In such settlements, such financial institutions admitted to submitting rates to the BBA that were lower than the actual rates at which such financial institutions could borrow funds from other banks. Additional investigations remain ongoing with respect to other major banks and no assurance can be made that there will not be further admissions or findings of rate setting manipulation or that improper manipulation of LIBOR or other similar inter-bank lending rates will not occur in the future. Any significant change to the setting of LIBOR could have material adverse effect on the value of the relevant portfolios that SPCRE manages.

On July 27, 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA’s intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA’s intention is that after 2021,

it will no longer be necessary for the FCA to ask, or to require, banks to submit contributions to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date. It is possible that the LIBOR administrator, ICE Benchmark Administration, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, there is no assurance of the survival of LIBOR in its current form, or at all, after 2021. SPCRE cannot predict the effect of the FCA's decision not to sustain LIBOR, or, if changes are ultimately made to LIBOR, the effect of those changes. The uncertainty as to whether LIBOR will survive in its current form or at all may lead to adverse market conditions. Clients should refer to the relevant offering memoranda for further disclosures relevant to their investments.

Cybersecurity. The computer systems, networks and devices used by SPCREF, and third party service providers engaged by SPCREF or directly by the Client Accounts to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. SPCREF and / or the Client Accounts could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to the clients; interference with SPCREF's ability to calculate the value of an investment in the clients' portfolio; impediments to trading; the inability us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the clients invest; counterparties with which the clients engage in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, these entities may incur substantial costs in order to prevent any cybersecurity breaches in the future.

Item 9. Disciplinary Information

SPCREF and its employees do not have any legal or disciplinary events that would be material to a client's or prospective client's evaluation of SPCREF's advisory business or the integrity of SPCREF's management.

Item 10. Other Financial Industry Activities and Affiliations

As noted above, SPCREF is affiliated with Sound Point and C-MOA, each a SEC Registered Investment Adviser, with CRE, a SEC Exempt Reporting Adviser, and with SPCRE, a SEC Exempt Reporting Adviser.

SPCREF is affiliated with Sound Point Capital Management UK LLP, which is authorised by the Financial Conduct Authority.

SPCREF depends on Sound Point to provide shared employees, such as the portfolio management and

investment team, operations and administrative services, all of which are provided pursuant to one or more services agreement. As such, SPCREF will be dependent on its Affiliates for most important services, which presents conflict of interest with respect to the devotion of time and resources to SPCREF.

SPCREF is controlled by Sound Point which provides investment advisory services to privately-offered pooled alternative investment funds, separately managed accounts, high net worth individuals, registered investment companies and securitized asset pools.

SPCREF, through Sound Point, is affiliated with the following entities that provide investment advisory and other services to its clients: (i) Sound Point Credit Opportunities GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point Credit Opportunities Master Fund, LP, and Sound Point Credit Opportunities Fund, LP; (ii) Sound Point Montauk GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point Montauk Fund, LP; (iii) Sound Point Senior GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point Senior Floating Rate Master Fund, LP and Sound Point Senior Floating Rate Fund, LP; (iv) Sound Point Beacon GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point Beacon Master Fund, LP and Sound Point Senior Beacon Fund, LP; (v) Sound Point CLO GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point CLO Fund, LP, (vi) Sound Point Co-Invest GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services to SP Co-Invest Fund, LLC, (vii) Sound Point Strategic Capital GP, LLC, a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point Strategic Capital Fund, LP, Sound Point Strategic Capital Offshore Fund, LP and Sound Point Strategic Capital Offshore Mini Master LP (viii) Sound Point CLO Management GP, LLC a Delaware limited liability company, which serves as general partner, and provides advisory and other services, to Sound Point I Management, LP, (ix) Sound Point Harbor Fund GP, LLC, a Delaware limited liability company, which serves as general partner and provides advisory and other services to Sound Point Harbor Master Fund, LP and Sound Point Harbor Fund, LP, (x) Sound Point Distressed Loan Opportunity GP, LLC, a Delaware limited liability company, which serves as a general partner and provides advisory and other services to Sound Point Distressed Loan Opportunity Fund I, LP, Sound Point Distressed Loan Opportunity Offshore Fund I, LP and Sound Point Distressed Loan Opportunity Offshore Mini-Master, LP and (xi) Sound Point Discovery Manager, LLC, a Delaware limited liability company, which serves as a member to Sound Point Discovery Fund, LLC. Certain Sound Point employees are registered representatives of a third-party limited-purpose broker-dealer, Foreside Fund Services, LLC. Sound Point's limited partners and principal owners are Stephen Ketchum, Dyal Capital Partners II (A), LP and five senior principals of Stone Point Capital LLC.

These affiliates listed above may give investment advice to their respective clients or take action that may differ from, conflict with, or be adverse to, advice given or actions taken by SPCREF. Further, certain affiliates may invest in, on behalf of themselves, assets that may be appropriate for, are held by, or may fall within the investment guidelines for SPCREF's Client Accounts. These activities will subject SPCREF and its affiliates to conflicts of interest. SPCREF will disclose relevant conflicts of interest to the Client Accounts and will seek to mitigate and/or resolve conflicts in a manner that is as fair and equitable as possible.

AAMLLC, a registered investment adviser, (i) owns an equity stake in SPCREF, (ii) is an affiliate of certain SPCREF Clients and (iii) has certain representatives that serve on the board of directors of SPCREF. Aflac Incorporated has, in addition to AAMLLC and affiliated SPCREF Clients, a variety of other affiliates engaged in financial industry activities, but SPCREF does not have business dealings or other relationships with such entities that are currently expected to be material to SPCREF's business or to create a material

conflict of interest with other Clients. SPCREF is authorized to purchase insurance products from Aflac Incorporated and its affiliates so long as they are at generally competitive rates.

Other Potential Conflicts of Interest

SPCREF and its affiliates and employees may engage in other activities, including providing investment management and advisory services to different Clients Accounts. SPCREF shall not be required to refrain from any activity or to disgorge profits from any such activity.

Certain of SPCREF's portfolio managers serve as members, or attend meetings, of the board of directors of InPoint Commercial Real Estate Income, Inc. ("InPoint"), a real estate investment trust advised by CRE and SPCRE. InPoint's investment strategy is substantially similar to SPCREF's, and, as such, the investment program of InPoint may compete with Client Accounts with respect to certain investments that SPCREF may wish to acquire.

SPCREF and its Affiliates is required to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities if it provides advisory services to other clients or with clients of their affiliates. SPCREF intends to address this conflict through the application of its trade allocation procedures, which noted that for certain non-divisible assets such as the whole loan commercial real estate loans that SPCREF invests in, a rotational allocation system will be utilized, subject to the relevant Client Accounts' guidelines and other considerations such as whether a Client Account is ramping up or whether a Client Account has enough cash available for an allocation. SPCREF intends to review allocation of investment opportunities and sequencing of transactions to determine whether Client Accounts are treated fairly.

For a further discussion of these and related items, see **Item 8** (Method of Analysis, Investment Strategies and Risk of Loss), **Item 11** (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and **Item 12** (Brokerage Practices).

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

Code of Ethics and Personal Trading

SPCREF has adopted a code of ethics pursuant to Advisers Act Rule 204A-1. SPCREF's code of ethics requires full compliance with all applicable laws and regulations governing the provision of investment management services to its clients. In addition, SPCREF's code of ethics highlights the fiduciary duty that it owes to its clients, including the affirmative duty to act in the best interests of its clients and to make full and fair disclosure of material facts. SPCREF expects each access person to act with integrity, competence, dignity, and in an ethical manner when dealing with the public, existing and prospective Client Accounts, service providers and fellow access persons. SPCREF also expects access persons to adhere to the highest standards with respect to any potential conflict of interest with Client Accounts.

SPCREF's code of ethics contains guidelines relating to personal trading by access persons (and certain of their immediate family members). Except with respect to certain exempted transactions, no access person may purchase or sell any security without first obtaining pre-clearance from the Chief Compliance Officer. SPCREF's access persons are not permitted to purchase or sell any security that is also held by the Client Accounts. SPCREF's code of ethics also requires access persons to provide it with certain securities holdings and periodic transaction reports, as required by Advisers Act Rule 204A-1.

SPCREF's code of ethics has specific provisions relating to identifying potential conflicts of interest. The provisions prohibit an access person from directing client transactions for the purpose of obtaining a

personal benefit. They also generally prohibit personal business dealings with clients or investors without the prior approval of the Chief Compliance Officer. The code of ethics includes provisions relating to accepting offers of gifts or entertainment from third parties.

All violations of the code of ethics must be promptly reported to the Chief Compliance Officer, who is primarily responsible for administering and enforcing SPCREF's code of ethics. A violation of the code of ethics may result in the imposition of disciplinary and remedial measures, including, without limitation, disgorgement or termination.

Clients may obtain, free of charge, a full copy of SPCREF's code of ethics by contacting us at the following address:

Sound Point Commercial Real Estate Finance LLC
375 Park Avenue, 33rd Floor
New York, NY 10152
Attention: Lily Wicker, Chief Compliance Officer
212-468-5784

Participation in Client Transactions

In order to reduce the conflicts inherent in transactions with affiliates, it is unlikely for SPCREF to purchase assets or properties from, or selling or leasing assets or properties to, any of its affiliates' Client Accounts or any of its affiliates. However, certain members of SPCREF's management teams are involved with a number of other real estate programs and activities, and existing funds or accounts that SPCREF's management teams are involved in may directly compete with the Client Accounts for investment opportunities. SPCREF and its affiliates are not prohibited, directly or indirectly, in any other business or from possessing interests in any other business venture(s), including ventures that directly conflict with SPCREF's investment universe. SPCREF and its affiliates are not prohibited from raising money for another entity that makes the same types of investments that SPCREF will target and SPCREF or its affiliates may co-invest with any such entity.

Item 12. Brokerage Practices

As an investment adviser, SPCREF has a fiduciary obligation to seek to obtain "best execution" of client transactions for the Client Accounts, taking into account the particular circumstances of the transaction. When evaluating brokers to execute transactions for the Client Accounts, SPCREF will consider the full range and quality of a broker's services including, among other things, the total cost or proceeds of the transaction, commission rates charged, the value of research and other services provided by the broker, the ability to negotiate transactions, the ability to obtain volume discounts, the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution, the reliability, integrity, stability, and financial condition of the broker, the broker's general execution, settlement and operational capabilities, access to underwritten offerings and secondary markets, financial responsibility, prior performance, and responsiveness. The determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the Client Accounts. SPCREF will maintain a list of approved broker-dealers executing its clients' transactions and will periodically evaluate the performance of those broker-dealers.

Soft Dollars

SPCREF does not currently utilize soft dollars.

Trade Error Policy

SPCREF exercises due care in making and implementing investment decisions on behalf of its clients. If an error occurs, SPCREF seeks to ensure that the best interests of its clients are served when correcting such errors. Errors in the trading process (*i.e.*, placement, execution or settlement) will be considered to be “Trade Errors” under SPCREF’s trade error policy. Trade Errors do not include good faith errors in judgment in making investment decisions for clients or matters outside of the placement, execution and settlement of transactions. SPCREF generally will not reimburse any Client Account for any loss resulting from the Trade Error unless the loss was the result of SPCREF’s bad faith, fraud, gross negligence or reckless or intentional misconduct. In addition, SPCREF will not compensate the Client Accounts for lost opportunities associated with Trade Errors. If a Trade Error results in a gain, the gain generally will accrue to the benefit of the affected Client Account. Under no circumstances may soft dollars be used to correct errors.

For a further discussion of these and related items, see **Item 8** (Methods of Analysis, Investment Strategies and Risk of Loss), **Item 10** (Other Financial Industry Activities and Affiliations) and **Item 11** (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

Aggregation of Transactions

Whenever relevant, SPCREF will aggregate trades for Client Accounts with other Client Accounts or its Affiliate’s clients, unless it believes that doing so would conflict or otherwise be inconsistent with its duty to seek best execution and/or the terms of the respective agreements and understandings relating to the Client Account for which trades are being aggregated. When SPCREF believes that it can effectively obtain best execution for the Client Accounts by aggregating trades, it will do so when the trades are both suitable and consistent with the respective investment advisory agreements, investment guidelines, and other agreements, unless prohibited or restricted by law, indenture, or otherwise.

Item 13. Review of Accounts

Client Accounts’ portfolio are reviewed daily by the portfolio managers. Reviews may range from supervision by investment professionals of purchases and sales and reviews of client positions and valuations, and reviews by compliance professionals to periodically monitor the adherence of the Client Accounts to investment mandates and compliance requirements.

Item 14. Client Referrals and Other Compensation

SPCREF does not receive any economic benefit from anyone other than the Client Accounts as a result of the provision of investment advice or other advisory services.

Item 15. Custody

SPCREF will not have custody of the assets of the Client Accounts.

Item 16. Investment Discretion

Unless otherwise agreed upon, SPCREF has discretionary authority over its Client Accounts, subject to the relevant investment management agreements. Generally, SPCREF expects to have and exercise discretionary authority in making, structuring, negotiating, purchasing, financing, securitizing, and

eventually divesting investments.

For more information, please see **Item 4** (Advisory Business).

Item 17. Proxy Voting

SPCREF generally has proxy voting authority over assets held by the Client Accounts. However, the mortgage loans, leases and other investments that comprise the Client Accounts' assets do not typically convey equity voting rights to the holder. SPCREF's policy is to vote proxies only where it believes that the vote is likely to have a material positive economic impact (or to avoid a material negative economic impact) on the value of the underlying credit position (taking into account any related hedges) or the short-term trading strategy employed. In addition, SPCREF may elect to not vote a proxy if the cost of voting, or time commitment required to vote a proxy outweighs the expected benefits of voting the proxy.

Item 18. Financial Information

SPCREF is required in this Item to provide you with certain financial information or disclosures about SPCREF's financial condition, if applicable. SPCREF has no financial commitment that is reasonably likely to impair its ability to meet contractual commitments to the Client Accounts and has not been the subject of a bankruptcy proceeding.