

**Part 2A of Form ADV
Firm Brochure
December 31, 2020**

Deerpath Capital Management, LP

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This brochure provides information about the qualifications and business practices of Deerpath Capital Management, LP, a Delaware limited partnership (the “Investment Manager” or “Deerpath”). If you have any questions about the contents of this brochure, please contact James Kirby or Anish Bahl using the contact information provided above. 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 Deerpath also is available on the SEC’s website at www.adviserinfo.sec.gov.

Although Deerpath is registered as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”), such registration with the SEC does not imply a certain level of skill or training.

Item 2

Material Changes

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

This annual update contains updated information about Deerpath's business since the last annual update dated December 31, 2019. There have been no material changes to Deerpath's business, but this brochure provides updates regarding Deerpath's business, specifically including disclosures regarding the following:

- Item 4. Advisory Business. Revisions and enhanced disclosure to Deerpath's advisory business, including clients and regulatory assets under management.
- Item 5. Fees and Compensation. Revisions and enhanced disclosure regarding Deerpath's fees and compensation structure.
- Item 6. Performance-Based Fees and Side-by-Side Management. Updates to certain disclosures and potential conflicts of interest regarding cross-transactions.
- Item 8. Methods of Analysis, Investment Strategies and Risk of Loss. Updates to certain risk factors, specifically including investments in CLOs, the use of financing subsidiaries, public health crises, cross-transactions and co-investment allocations.
- Item 9. Disciplinary Information. Disclosure of settlement with the State of California regarding licensure under the California Financing Law.
- Item 10. Other Financial Industry Activities and Affiliations. Updates to certain potential conflicts of interest regarding Deerpath's and its affiliates' relationships with its Funds.
- Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. Updates to certain potential conflicts of interest regarding cross-transactions.

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Item 4
Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Deerpath is an investment management firm formed in 2007. The Investment Manager is controlled by Gary C. Wendt, James H. Kirby, John B. Fitzgibbons and Tasabbur Hasan (the “Principals”). Gary C. Wendt is the Chairman of the Investment Manager and James H. Kirby is the President and Chief Executive Officer responsible for the day-to-day management of the affairs of the Investment Manager. John B. Fitzgibbons is a member of the management committee of the Investment Manager along with Mr. Wendt and Mr. Kirby (the “Management Committee”). Mr. Hasan is a partner of the Investment Manager and Chief Operating Officer.

Deerpath provides advisory and investment management services to the following pooled investment vehicles:

- Deerpath Capital, LP, a Delaware limited partnership (“Deerpath Capital”) formed in 2008.
- Deerpath Capital II, LP, a Delaware limited partnership (“Deerpath Capital II”) formed in 2011.
- Pondfield Capital, LLC, a Delaware limited liability company (“Pondfield Capital”) formed in 2013.
- Pondfield Capital Advantage, LP, a Delaware limited partnership (“Pondfield Capital Advantage”) formed in 2013.
- Deerpath Funding Advantage IV, LP, a Delaware limited partnership (“Deerpath Funding Advantage”) formed in 2016.
- Deerpath Capital Advantage IV (US), LP, a Delaware limited partnership (“Deerpath Capital (US)”) formed in 2016.
- Deerpath Capital Advantage IV (Cayman), LP, a Cayman Islands partnership (“Deerpath Capital (Cayman)”) formed in 2016.
- Deerpath Capital IV, LP, a Delaware limited partnership (“DCIV”) formed in 2016.
- Deerpath Capital SLP-RAIF, a Luxembourg special limited partnership (“AIF”) formed in 2018.
- Deerpath Capital V, LP, a Delaware limited partnership (“DCV”) formed in 2019.
- Deerpath Capital Advantage V-B (Cayman), LP, a Cayman Islands partnership (“DCAV-B”) formed in 2019.
- Deerpath Capital Advantage V (Cayman), LP, a Cayman Islands partnership (“DCAV(Cayman)”) formed in 2019.
- Deerpath Capital Advantage V (US), LP, a Delaware limited partnership (“DCAV(US)”) formed in 2019.
- Deerpath Funding Advantage V, LP, a Delaware limited partnership (“DFAV”) formed in 2019.
- Deerpath Funding V, LP, a Delaware limited partnership (“DFV”) formed in 2019.
- Deerpath Sagaponack, LP, a Delaware limited partnership (“DS”) formed in 2020.
- Deerpath Newbury Partners LLC, a Delaware limited liability company (“DNP”) formed in 2020.
- Deerpath Partners, LLC, a Delaware limited liability company (“DP”) formed in 2016.
- Deerpath Partners (Cayman), LP, a Cayman Islands partnership (“DP(Cayman)”) formed in 2020.

Deerpath provides advisory and investment management services to the following separately managed accounts:

- SC DCM Secondary SP, incorporated under the laws of the Cayman Islands (“DCM SP”) formed in 2018.
- Swiss Capital DCM Private Debt Fund L.P., a Cayman Islands partnership (“DCM DF”) formed in 2018.

Deerpath provides investment management services and is the collateral manager for the following securitized asset funds:

- Deerpath Capital CLO 2018-1 Ltd. incorporated under the laws of the Cayman Islands (“DC CLO”) formed in 2018.
- Deerpath Capital CLO 2020-1 Ltd. incorporated under the laws of the Cayman Islands (“DC CLO2”) formed in 2019.

DFV is a subsidiary of Deerpath Funding Advantage. DFV has received from the U.S. Small Business Administration (“SBA”) a license as a Small Business Investment Company (“SBIC”), which gives DFV access to federally guaranteed financing in the form of debentures. DFV was organized to facilitate the use of these debentures by DFAV. Each partner of DFAV is required by the SBA to be a limited partner in DFV, and with the exception of certain banks and similarly regulated financial institutions, no investor may, directly or indirectly, invest in DFV without making its investment through DFAV. DFAV and DFV are marketed and utilized as a single fund structure. Therefore, unless otherwise specified in this brochure, all references to DFAV in this brochure shall be deemed to include DFV. Each of Deerpath Capital, Deerpath Capital II, Pondfield Capital, Pondfield Capital Advantage, Deerpath Funding Advantage, Deerpath Capital (US), Deerpath Capital (Cayman), DCIV, DCV, DCAV-B, DCAV(Cayman), DCAV(US), DFAV, DFV, AIF, DCM SP, DCM DF, DS and DNP may be referred to individually in this brochure as a “Fund” and together as the “Funds” or the “Deerpath Capital Funds.”

Deerpath Capital General Partner, LLC, a Delaware limited liability company, is the general partner of Deerpath Capital. Deerpath Capital II General Partner, LLC, a Delaware limited liability company, is the general partner of Deerpath Capital II. Each of the general partners of Deerpath Capital and Deerpath Capital II is an affiliate of the Investment Manager. Pondfield Capital Advantage GP, LLC (the “Pondfield GP”), a Delaware limited liability company, is the general partner of Pondfield Capital Advantage. Deerpath Funding Advantage IV General Partner, LLC is the general partner of Deerpath Funding Advantage. Deerpath Capital GenPar IV, LLC is the general partner of Deerpath Capital (US), Deerpath Capital (Cayman) and DCIV. Deerpath Funding Advantage V General Partner, LLC is the general partner of DFV. Deerpath Capital GenPar V, LLC is the general partner of DCV, DCAV-B, DCAV(Cayman), DCAV(US), DFAV and DS. Deerpath Capital GP S.a.r.l is the general partner of AIF. Each of the foregoing general partners may be referred to individually in this brochure as a “General Partner” and together as the “General Partners.”

The affairs of Pondfield Capital are directed by an independent Board of Managers (the “Board”).

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

The Deerpath Capital Funds have similar investment strategies. The Investment Manager provides advisory services to the Deerpath Capital Funds with respect to privately negotiated investments in debt and equity of middle market companies. The Deerpath Capital Funds focus on investing in companies with annual revenues between \$10 million and \$200 million. The investment objective of the Deerpath Capital Funds is to seek attractive risk-adjusted returns by generating high levels of current income from debt investments and realizing capital appreciation from equity-oriented investments. The Deerpath Capital Funds emphasize strong downside protection, and focus on senior secured loans as their preferred investment category. The Deerpath Capital Funds may acquire warrants to purchase equity in connection with its loan investments. On an opportunistic basis, the Funds also will make direct equity investments.

Deerpath Funding Advantage, DFV and DFAV intend to enhance returns by utilizing attractive external debt financing from the SBA in the form of SBA-guaranteed debentures. Each of Deerpath Funding Advantage and DFV has been licensed by the SBA as an SBIC. Status as an SBIC provides a fund with access to federally guaranteed financing in the form of debentures. SBA-guaranteed debentures have a ten-year term and carry fixed interest rates that are generally lower than comparable bank debt and public debt. Pondfield Capital Advantage, Deerpath Capital (US), Deerpath Capital (Cayman), DCAV-B, DCAV(Cayman), DCAV(US) and DS intend to enhance returns by utilizing attractive external debt financing available from banks. Deerpath Capital (US) and Deerpath Capital (Cayman) also enhance their returns by owning 100% of the equity in DC CLO and DC CLO2. Pondfield Capital, DCIV, DCV and AIF do not use external debt financing.

The Deerpath Capital Funds seek to provide investors with (i) exposure to privately negotiated investments in middle market companies, which might otherwise be difficult for an investor to obtain, (ii) high levels of current income with strong downside protection in its debt investments and (iii) potential for equity upside through warrants and direct equity investments.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Acting as the investment adviser or investment manager to the Deerpath Capital Funds is currently the only type of advisory services offered by the Investment Manager. The Investment Manager seeks to tailor its services to the needs of the Deerpath Capital Funds. With respect to the Funds, Deerpath typically does not tailor its advisory services to the individual needs of investors in the Funds; accordingly, it typically does not accept material investment restrictions imposed by such Fund investors.

Each of the Funds may from time to time enter into agreements (“Side Letters”) with one or more of their investors whereby in consideration for agreeing to invest certain amounts in a Fund and/or other consideration deemed sufficiently material, such investors may be granted favorable rights not afforded other investors in such Fund. Such rights may include one or more of the following: rights to receive notices that include information not typically provided to other investors that Deerpath believes are not prejudicial to other investors; rights to receive reduced rates of incentive fees/allocations and/or management fees earned by Deerpath, each General Partner and/or other affiliates; and such other rights as may be negotiated between the Fund, Deerpath and such investors. Such agreements may be entered into by the Fund and Deerpath without the consent of other investors in such Fund; additionally, except as may be required by “most-favored-nations” clauses, such agreements usually need not be disclosed to other investors in such Fund.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

The Investment Manager does not participate in wrap fee programs.

E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date “as of” which you calculated the amounts.

As of December 31, 2020, the amount of client assets managed by the Investment Manager was approximately \$1.47 billion on a discretionary basis and \$792 million on a non-discretionary basis.

Item 5

Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

All of our Fund clients currently are investment vehicles exempted from the definition of investment company by Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “1940 Act”) and we would expect any new Fund clients to be “qualified purchasers.” In consideration for Deerpath’s advisory and other services to the Funds, Deerpath and/or its affiliates are generally entitled to management fees charged to the Funds (“Management Fees”) and may receive incentive allocations or incentive fees. The fees and compensation applicable to each Fund are described in detail in the applicable offering documents, Side Letters and fee agreements. An overview of Deerpath’s basic fee schedule is summarized below. However, compensation and expense allocations are negotiable in certain circumstances, and arrangements with any particular client or investor vary on a case-by-case basis. This is particularly true for separately managed accounts, which typically contain more customized fee provisions than the basic compensation and expense allocation arrangements described below. Each potential investor in a Fund should read and review all offering documents applicable to that Fund in their entirety before making any investment decision.

Funds (other than DC CLO and DC CLO2)

Management Fees. Deerpath typically receives a quarterly Management Fee from each Fund equal to a percentage of such Fund’s aggregate capital commitments, capital contributions, invested capital, unreturned capital or the fair value of such Fund’s portfolio securities, depending on the Fund and whether such Fund is still within its investment period or its investment period has expired. Management Fees are payable quarterly in advance, with a true-up at quarter end, or in arrears and are generally paid to Deerpath by deducting them from the applicable Fund or directly billing the applicable Fund.

Incentive Allocations and Fees. The General Partner of each Fund may receive an incentive fee, an incentive allocation or a distribution of profits from the applicable Fund in connection with the management of such Fund. Although such fees, allocations and distributions may take different forms in different Funds, they are all referred to in this brochure as a “Carried Interest Distribution.” Pondfield Capital Holdings, LLC may receive a Carried Interest Distribution as a special member in Pondfield Capital and special limited partner in Pondfield Capital Advantage. Similarly, the Investment Manager may receive a Carried Interest Distribution from DCM SP, DCM DF and DNP. The applicable General Partner’s or affiliate’s right to received Carried Interest Distributions are generally subject to a fixed percentage annual priority return in favor of the investors in the Fund. Carried Interest Distributions are generally payable to the applicable General Partner or affiliate on a quarterly or annual basis or otherwise as distributions are made to investors in the applicable Fund.

Transaction and Other Advisory Fees. The Investment Manager and its affiliates may charge management, advisory or similar fees to portfolio companies of the Funds. Each Fund’s proportionate share of any such fees shall offset Management Fees otherwise payable by such Fund, except any fees paid by portfolio companies in exchange for the Investment Manager or any of its affiliates monitoring the Fund’s investments in such portfolio companies shall not, to the extent set forth in the Fund’s offering documents, offset Management Fees otherwise payable by the Fund.

DC CLO and DC CLO2

As compensation for its services as the collateral manager to DC CLO and DC CLO2, Deerpath typically receives a quarterly Collateral Management Fee equal to a percentage of the fair value of such CLO's assets. This fee is credited to the Master funds based on their pro-rata ownership of the CLO's.

Deerpath reserves the right to waive some or all fees for certain investors in the Funds, including for investors who are affiliated with Deerpath. Except as described in the following paragraph, the Management Fee and Carried Interest Distribution applicable to investors in the Funds are generally not negotiable.

As explained in Item 4.C above, Deerpath may enter into Side Letters with Fund investors, typically those with the largest aggregate investments in a Fund, whereby such investors are granted favorable rights not granted to other investors in the Fund, including, among other things, rights to receive reduced rates of Management Fees and/or Carried Interest Distributions earned by Deerpath, such Fund's General Partner and/or other affiliates.

It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of how Deerpath is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

B. Describe whether you deduct fees from *clients*' assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

The Management Fee is generally deducted from client assets quarterly in arrears or in advance with a true-up at each quarter end, but some clients may be billed for Management Fees.

In addition, the General Partners, the Investment Manager and Pondfield Capital Holdings, LLC may receive Carried Interest Distributions with respect to the Funds, based on, among other factors, paid-in capital contributions, proceeds received by the Funds and a priority return. The Carried Interest Distribution is generally deducted, or otherwise allocated, from each Fund's assets on a quarterly basis or otherwise as distributions are made to the investors in such Fund, if earned, and at liquidation as determined by the General Partner of each Fund or the Board, as applicable. See Item 6 for additional information with respect to the Carried Interest Distribution.

It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of how Deerpath is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

The Investment Manager is typically responsible for the costs and expenses of all investment professionals and investment staff of the Investment Manager, when and to the extent engaged in providing investment advisory and investment management services to the Funds, including the base compensation, bonus and benefits, and the routine overhead expenses, of such personnel allocable to such services. Deerpath Capital Funds will generally pay all other fees, costs and expenses of the Fund's operations, administration and transactions (whether or not services are outsourced or provided by the Investment Manager or an affiliate of the Investment Manager on arms-length terms), including but not limited to (i) the Fund's allocable

portion of the compensation paid by the Investment Manager (or its affiliates) to its chief financial officer, chief compliance officer, general counsel, investor relations and human resources personnel and their respective staffs, (ii) investment advisory fees, including Management Fees, (iii) the Fund's allocable portion of overhead, rent and other expenses incurred by the Investment Manager in performing its administrative obligations under the Fund's investment management agreement and (iv) all other expenses of the Fund's operations and transactions including, without limitation, those relating to: all legal and other expenses, including out-of-pocket expenses of the Investment Manager, incurred in connection with the offering and the organization of the Fund and the General Partner (provided such expenses with respect to any particular Fund or group of Funds may be subject to a maximum limit as provided in the applicable Fund's or Funds' offering documents); the cost of calculating the Fund's net asset value, including the cost of any third-party valuation services; the cost of effecting any sales and repurchases of interests and the withdrawal of partners (excluding, with respect to some Funds, third-party placement agents); fees and expenses payable under any dealer manager agreements, if any; debt service and other costs of borrowings or other financing arrangements; costs of hedging; costs of any consultants or servicers retained to assist in finding potential transactions, servicing portfolio investments and providing special advisory or consulting services; expenses, including travel expense, incurred by the investment manager, or members of the investment team, or payable to third parties, performing due diligence on prospective portfolio companies, monitoring investments and, if necessary, enforcing the Fund's rights; transfer agent and custodial fees; fees and expenses associated with marketing efforts; registration fees and fees payable to rating agencies; federal, state and local taxes and tax advisers; independent investor representative and advisory committee fees and expenses including certain travel expenses; costs of preparing financial statements and maintaining books and records and filing reports or other documents with regulatory bodies and other reporting and compliance costs, including registration fees and the compensation of professionals responsible for the preparation of the foregoing; communications with partners/members, marketing funds to prospective fund partners and preparation of any partnership status reports; costs and expenses associated with meeting of partners and the compensation of investor relations personnel responsible for the foregoing and related matters; software platforms used to support the investment advisory and administrative services provided to the partnership; commissions and other compensation payable to brokers or dealers; research and market data; fidelity bond, directors and officers liability insurance, errors and omissions liability insurance and other insurance premiums, including insurance protecting the partnership, the general partner, the investment manager and their respective representatives and other persons entitled to indemnification from the Fund from liabilities to third parties for activities on behalf of the Fund; direct costs and expenses of administration, including printing, mailing, long distance telephone and staff; fees and expenses associated with independent audits, outside legal and consulting costs; costs of winding up; costs incurred in connection with the formation or maintenance of entities or vehicles to hold the Fund's assets for tax or other purposes; extraordinary expenses (such as litigation or indemnification); and costs associated with reporting and compliance obligations under applicable securities laws.

Each Fund is allocated its proportionate share of the foregoing expenses incurred through Financing Subsidiaries, as determined by the Investment Manager in its sole discretion in accordance with the Investment Manager's expense allocation policy. All such expenses are allocated to each Fund investor based on its pro rata sharing percentage of such Fund.

Any fees for third-party placement agents or other third-party fundraisers with respect to any Fund may be paid and borne by such Fund or may be borne by the Investment Manager through an offset to Management Fees payable by such Fund on a dollar for dollar basis such that the Fund will not bear the economic burden of any such fees.

Generally, costs and expenses common to multiple Funds will be paid pro rata by such Funds based on the amount invested by each Fund.

It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of the fees and expenses they may pay in connection with an investment in such Fund. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

As described in Item 5.B above, investors in the Funds generally pay Management Fees quarterly at the end of each quarter or in advance with a true-up at the end of each quarter. Withdrawals are generally not permitted, and, in the event of a mid-quarter withdrawal, Deerpath would generally not provide a refund of the current quarter's Management Fee that has already been paid.

It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of the fees they may pay in connection with an investment in such Fund, how those fees are calculated and when an investor in a Fund may be entitled to a refund for a fee. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Not applicable.

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

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

The Investment Manager has affiliates that act as the General Partners of the Funds. Each of the General Partners and Pondfield Capital Holdings, LLC is controlled by the Principals. As described in Item 5.B above, each of the General Partners, the Investment Manager and Pondfield Capital Holdings, LLC may receive a Carried Interest Distribution.

Certain inherent conflicts of interest arise in connection with the management of the Deerpath Capital Funds, including the fact that the Principals, as well as the Investment Manager and their respective affiliates currently manage, and expect to continue to manage, other investment funds and accounts, some of which will have the ability to participate in similar types of investments as each Fund. Additionally, the possibility that Deerpath could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Deerpath to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation.

Funds may engage in transactions in which they purchase securities or other instruments from, or sell securities or other instruments to, other funds or managed accounts managed by the Investment Manager and/or its affiliates, so called “cross-transaction,” for purposes of capital diversification, leverage, liability, available capital, tax and/or other reasons as may arise from time to time. Such cross-transactions may create an incentive for Deerpath to favor Funds in which it has a greater economic interest. Neither the Investment Manager nor its affiliates will take brokerage commissions or otherwise be compensated for effecting these cross-transactions, but because Deerpath’s Management Fees are often based upon the value of investments held by the Funds and its Carried Interest Distributions are based upon the investment performance of its Funds, there may be incentives for Deerpath to favor one Fund over another in such cross-transactions. Prior to effecting any cross-transactions, the Investment Manager will make a good faith determination that the transaction is in the best interests of the Fund and the other participating client account. Cross-transactions will be effected at fair market value (as supported by an independent valuation agent).

In particular, from time to time, the Investment Manager expects to cause some Funds to offer to sell to other Funds or a Financing Subsidiary or other investment vehicle owned by them certain interests in loans originated by or on behalf of those Funds on or after 90 days after the closing and funding of such loan. The offer price of the interest will be established based on the current fair market value of such loan and may reflect compensation to the originating Fund for the origination of such loan as well as a discount from par customarily shared or passed on to a secondary purchaser of such loan. In all events, the sale of such interest will be subject to the approval of one or more independent advisors or directors of the purchaser who are not affiliated with the Investment Manager or the originating Fund. Under these circumstances, the originating Fund may acquire a larger position in such loan than it would have had it not been anticipated that it would assign or sell a portion of such loan. In the event that there are significant

losses in respect of such loan prior to such sale or assignment, the originating Fund will bear all such losses. Moreover, the originating Fund may be forced to retain all of such loan in the event that the potential purchaser Fund rejects a proposed assignment or sale of participation interest.

To the extent a particular investment is suitable for more than one account, such investment will be allocated among accounts pro rata based on available capital or in some other manner that the Investment Manager determines is fair and equitable under the circumstances to all clients. Each of the Deerpath Capital Funds, other than DCM SP, SCM DF, DC CLO, DC CLO2 and DNP, has an advisory board comprised of limited partners in the Fund, and the General Partner may present potential conflicts of interest to the advisory board for review and advice.

Item 7

Types of Clients

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Deerpath currently manages the assets of privately offered pooled investment vehicles for which its related persons act as general partner or sponsor, as well as certain separately managed accounts. The Funds' structures mostly resemble those of "private equity funds" and would be considered "private funds" for purposes of the Advisers Act. The Funds' investors generally consist of large institutions and high net worth individuals, including but not limited to, state and local pensions, corporate pensions, endowments and foundations, insurance companies, regional banks and family offices mainly through privately-offered pooled investment vehicles and separately managed accounts.

Each Fund's minimum investment amount is stated in its offering documents. Each Fund's General Partner may waive the applicable minimum at its discretion. In addition, Deerpath reports its minimum investment limits required of an investor for each Fund in Schedule D, Section 7.B.(1) – Private Fund Reporting of Part 1 Form ADV, which is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Deerpath is 160791.

Generally, investors participating in the Funds are required to meet certain suitability and net worth qualifications, such as being either (i) an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and that, in each case, are also a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act; or (ii) a non-U.S. person in accordance with the requirements of Regulation S under the Securities Act and applicable eligibility requirements of the respective Fund; and (iii) in accordance with any other applicable law. As such, the Funds are exempt from registration as an investment company through the exemption provided by Section 3(c)(7) of the 1940 Act.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

The Deerpath Capital Funds focus on making privately negotiated investments in the debt and equity of middle market companies. The Investment Manager seeks to maintain strong downside protection by concentrating a high percentage of the Funds' capital in senior secured loans. In evaluating the attractiveness of potential investments, Deerpath analyzes the historical and expected future levels of cash flow generated by the portfolio company and how this compares to debt service requirements. Such analysis of company cash flows includes a review of the company and its industry. Deerpath generally assesses cash flow coverage of debt service requirements across a range of alternative forecasts for future cash flows. Deerpath also analyzes and estimates the expected value of the portfolio company in a sale to an unaffiliated third-party buyer and compares this to the amount of value required to repay debt. In estimating the value of the portfolio company in a sale, Deerpath analyzes the valuations implied by publicly traded comparable companies and private market transactions involving comparable companies. Deerpath also considers the market-required yields for similar investments and compares these to the yields on the investments Deerpath seeks to make. These types of analyses involve judgments and estimates by the Investment Manager and this type of investing involves potential risk of losses by the investors.

The Funds have broad and flexible investment authority. Deerpath may have other investment strategies or methods of analysis, or engage in other activities, than those described in this brochure. It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of the Funds' investment objectives and strategies. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

An investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

An investment in any of the Deerpath Capital Funds is speculative, involves a high degree of risk and is suitable only for persons of adequate financial means who have no need for liquidity in this investment. There can be no assurances or guarantees that (i) the Fund's investment objective will be realized, (ii) the Fund's investment strategy will prove successful, or (iii) investors will not lose all or a portion of their investment in the Fund. Prospective investors should carefully consider, with their respective financial, tax and legal advisors, the following risk factors before subscribing. Please note that the following is not meant to be an exhaustive listing of all potential risks associated with investing in a Fund.

General. All investments risk the loss of capital. No guarantee or representation can be made that the Fund will achieve its investment objective, will achieve gains for its investors, or will not incur substantial losses. Markets in which the Deerpath Capital Funds invest are subject to fluctuations. The

market value of any particular investment may be subject to substantial variation. Securities in which the Deerpath Capital Funds invest may be issued by unstable or unseasoned issuers.

Concentration of Investments. Deerpath will generally seek to maintain a diversified portfolio, but the Deerpath Capital Funds may at certain times hold relatively few investments. Accordingly, although Deerpath expects to spread the Funds' capital among a number of investments, the Funds may depart from such policy from time to time and may hold a few, relatively large positions in relation to the capital, but subject to certain percentage limitations. The result of any concentration of investment is that a loss in any such position could significantly reduce their capital, which would have an adverse impact on their operating results.

Available Information. Deerpath selects investments for the Funds in part on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to Deerpath by such issuers, or through sources other than the issuers. Although Deerpath evaluates all such information and data and seeks independent corroboration when Deerpath considers it appropriate and when it is reasonably available, Deerpath is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases complete and accurate information is not readily available.

Leverage. With the exception of Pondfield Capital, DCIV, DCV, AIF, DCM SP and DCM DF, the Deerpath Capital Funds will employ leverage. While leverage presents opportunities for increasing their total return, it also carries risks. First, no assurance can be given that their investment portfolios will generate any income in excess of leverage costs (which can fluctuate as a function of changes in interest rates). Second, leverage has the effect of potentially increasing losses, since amounts borrowed in order to make a given investment must be repaid regardless of the performance of the investment. Accordingly, any reduction in the value of an investment would be magnified to the extent the Deerpath Capital Funds are leveraged. To the extent that a lender has provided leverage to either of the Deerpath Capital Funds, such lender has a claim on such Fund's assets that is senior to the rights of the Fund's investors. Accordingly, if the Fund's losses were to exceed the amount of capital invested, an investor could lose its entire investment. As a result of the use of such leverage, the level of interest rates generally, and the rates at which such borrowings are incurred, may strongly affect the operating results of the Deerpath Capital Funds.

Nature of Investments; Inherent Illiquidity and Volatility. While Deerpath expects to focus on senior secured loans, the investments of the Deerpath Capital Funds may include debt investments that are unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured and bear floating interest rates. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Deerpath Capital Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect their returns. Furthermore, the companies and securities in which the Deerpath Capital Funds will invest generally will not be rated by a credit rating agency.

The Deerpath Capital Funds expect to make or purchase loans, a substantial portion of which will be illiquid and have no, or only a limited, trading market. Their investment in illiquid loans may restrict their ability to dispose of investments in a timely fashion and for a fair price and may result in the inability to pursue other favorable investment opportunities. Because of the unique and customized nature of most loan agreements, loans cannot be sold as easily as publicly traded securities. In addition, the Deerpath Capital Funds expect to invest in privately placed loans that may or may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale, and even if such privately placed loans are transferable, the prices realized from their sale could be less than those originally paid by the Deerpath Capital Funds or less than what may be considered the fair value of such obligations.

A non-investment grade loan or debt obligation or an interest therein is generally considered speculative in nature and may become non-performing for a variety of reasons. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal amount of the loan and/or the deferral of payments. In addition, such negotiations or restructuring may be quite extensive and protracted over time and, therefore, may result in substantial uncertainty with respect to the ultimate recovery. The Deerpath Capital Funds may also incur additional expenses to the extent they are required to seek recovery upon a default on a loan or participate in the restructuring of such obligation. The liquidity for defaulted loans may be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In connection with any such defaults, workouts or restructuring, although the Deerpath Capital Funds may exercise voting rights with respect to an individual loan, they may not be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such loan to determine the outcome of such vote.

The market value of the Deerpath Capital Funds' loans may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, among other things, the financial condition of the obligors on or issuers of the loans, general economic conditions, the condition of certain financial markets, domestic and international economic or political events, developments or trends in any particular industry, prevailing credit spreads and changes in prevailing interest rates.

Insolvency Considerations With Respect to Issuers of Loans; Lender Liability; Equitable Subordination. One or more of the issuers of loans acquired by the Deerpath Capital Funds may become involved in bankruptcy or similar proceedings. There are a number of significant risks inherent in the bankruptcy process. First, many events in a bankruptcy are the product of contested matters and adversary proceedings and are beyond the control of the creditors. Second, the effect of a bankruptcy filing on a company may adversely and permanently affect the company. If the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investment can be adversely impacted by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court and until it ultimately becomes effective. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Fifth, bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that the Deerpath Capital Funds' influence with respect to the class of obligations or securities they own can be lost by increases in the number and amount of claims in that class or by different classification and treatment of claims. Sixth, in the early stages of the bankruptcy process it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. Seventh, certain claims that have priority by law (for example, claims for taxes) may be quite significant and debtor in possession financing can under certain circumstances "prime" the security interest that the Deerpath Capital Funds may have in the debtor's property.

In addition, it is possible that a court may invalidate, in whole or in part, the indebtedness underlying a loan as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by the obligor in satisfaction of such indebtedness. In particular, a court could make such a determination if, in a lawsuit brought by a creditor or representative of creditors of an obligor on a loan, the court were to find that the obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the loan and, after giving effect to such indebtedness and the use of the proceeds thereof, the obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such obligor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

There can be no assurance as to what standard a court would apply in order to determine whether the obligor was “insolvent” or that, regardless of the method of valuation, a court would not determine that the obligor was “insolvent,” in each case, after giving effect to the incurrence of such loan and the use of the proceeds thereof. In addition, in the event of the bankruptcy of an obligor under a loan acquired by the Deerpath Capital Funds, payments made on the loan may be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year under Federal bankruptcy law or even longer under state laws) before bankruptcy.

In general, if payments on a loan are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from the Deerpath Capital Funds.

In addition, 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 (collectively termed “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 shareholders. Because of the nature of the loans intended to be acquired by the Deerpath Capital Funds, the Funds may be subject to allegations of lender liability.

Furthermore, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the under capitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Because of the nature of the loans intended to be acquired by the Deerpath Capital Funds, they may be subject to claims from creditors of an obligor that loans issued by such obligor that are held by the Deerpath Capital Funds should be equitably subordinated.

Cross-Transactions. Funds may engage in transactions in which they purchase securities or other instruments from, or sell securities or other instruments to, other funds or managed accounts managed by the Investment Manager and/or its affiliates, so called “cross-transaction,” for purposes of capital diversification, leverage, liability, available capital, tax and/or other reasons as may arise from time to time. Such cross-transactions may create an incentive for Deerpath to favor Funds in which it has a greater economic interest. Neither the Investment Manager nor its affiliates will take brokerage commissions or otherwise be compensated for effecting these cross-transactions. Prior to effecting any cross-transactions, the Investment Manager will make a good faith determination that the transaction is in the best interests of the Fund and the other participating client account. Cross-transactions will be effected at fair market value (as supported by an independent valuation agent).

In particular, from time to time, the Investment Manager expects to cause some Funds to offer to sell to other Funds or a Financing Subsidiary or other investment vehicle owned by them certain interests in loans originated by or on behalf of those Funds on or after 90 days after the closing and funding of such loan. The offer price of the interest will be established based on the current fair market value of such loan and may reflect compensation to the originating Fund for the origination of such loan as well as a discount from par customarily shared or passed on to a secondary purchaser of such loan. In all events, the sale of such interest will be subject to the approval of one or more independent advisors or directors of the purchaser who are not affiliated with the Investment Manager or the originating Fund. Under these circumstances, the originating Fund may acquire a larger position in such loan than it would have had it not

been anticipated that it would assign or sell a portion of such loan. In the event that there are significant losses in respect of such loan prior to such sale or assignment, the originating Fund will bear all such losses. Moreover, the originating Fund may be forced to retain all of such loan in the event that the potential purchaser Fund rejects a proposed assignment or sale of participation interest.

Borrower Fraud. Of paramount concern in originating loans is the possibility of material misrepresentation or omission on the part of borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Deerpath Capital Funds to perfect or effectuate a lien on the collateral securing the loan. The Deerpath Capital Funds will do their own due diligence on the borrowers, but will also rely upon the accuracy and completeness of certain representations made by borrowers to the extent reasonable. The Deerpath Capital Funds cannot guarantee such accuracy or completeness of borrower representations.

Economic Conditions. Changes in economic conditions, including changes in interest rates, inflation rates, industry conditions, government regulation, competition, technological developments, political events and trends, tax laws and many other factors can affect substantially and adversely the business and prospects of the Deerpath Capital Funds. None of these conditions is within the control of Deerpath.

Prime Broker Insolvency. The business relationship between the Deerpath Capital Funds and their respective brokers will be that of debtor/creditor and accordingly the insolvency of a broker may result in the Deerpath Capital Funds being in no better position than any other unsecured creditor of such broker.

*The Deerpath Capital Funds and prospective investors in the Deerpath Capital Funds are provided with offering documents, including a confidential private placement memorandum, for the respective Deerpath Capital Fund that provide a detailed description of the material risks related to an investment in that Deerpath Capital Fund. Such investors are advised to carefully review **all** risk factors set forth in those documents.*

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

General Risks of Secured Loans. The Deerpath Capital Funds focus on senior secured loans as their preferred asset category. While senior secured loans originated or purchased by a Fund will often be over-collateralized, each Fund may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. The Funds cannot guarantee the adequacy of the protection of their interests, including the validity or enforceability of the loan, the maintenance of the anticipated priority or the perfection of the applicable security interests. Compounding these risks, the collateral securing loans will often be subject to casualty or devaluation risks. Even where debt held by a Fund is secured by a perfected lien over a substantial portion of the assets of a borrower and its subsidiaries, the borrower and its subsidiaries will often be able to incur additional indebtedness, which may, in some cases, have an exclusive lien over particular assets. As a result of the liens granted to the holders of such additional indebtedness, in the event of liquidation, reorganization, insolvency, dissolution or bankruptcy of a borrower, holders of such other secured debt instruments may have priority that ranks senior to the investment in that borrower with respect to such assets. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which the Funds may have liens. In some cases, the borrowers may also be permitted to issue other indebtedness that ranks in parity in right of payment or as to the proceeds of collateral with debt securities in which the Funds invest, in which event, the Funds would have to share on an equal basis any distributions with other creditors holding such debt in the event of a liquidation, reorganization, insolvency, dissolution or bankruptcy of the relevant borrower. In addition,

where a Fund holds a first-lien to secure senior indebtedness owed to the Fund, the borrowers may be permitted to issue other senior debt with liens that rank junior to the first-liens granted to the Fund. The intercreditor rights of the holders of such other junior lien debt may, in any liquidation, reorganization, insolvency, dissolution or bankruptcy of the relevant borrower, affect the recovery that the Fund would have been able to achieve in the absence of such other debt.

Investments in Middle-Market Companies. Each of the Deerpath Capital Funds intends to invest primarily in middle market companies. Many of these companies will be privately held. Investment in these companies involves a number of significant risks including:

- limited financial resources, inability to meet their obligations under their debt securities, deterioration in the value of any collateral;
- shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- dependence on the management talents and efforts of a small group of persons, which means that the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a portfolio company and, in turn, on the Funds;
- generally have less predictable operating results, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- little public information making it difficult to make a fully informed investment decision.

Subordinated Debt. The Funds may invest in a variety of debt that captures particular layers of an issuer's credit structure, such as "last out" or "second lien" debt, or other subordinated investments that rank below other obligations of the borrower in right of payment. Subordinated investments are subject to greater risk of loss than senior obligations as a result of adverse changes in the financial condition of the borrower or in general economic conditions. Subordinated investments may expose the Funds to particular risks in a distress situation, such as the risk that creditors are not aligned. Holders of subordinated investments generally have less ability to affect the results of a distressed situation than holders of more senior investments.

Nonperformance. Loans held by the Funds may become non-performing for a variety of reasons. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal amount of the loan and/or the deferral of payments. In addition, such negotiations or restructuring may be quite extensive and protracted over time and, therefore, may result in substantial uncertainty with respect to the ultimate recovery. The Funds may also incur additional expenses to the extent they are required to seek recovery upon a default on a loan or participate in the restructuring of such obligations. The liquidity for defaulted loans may be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In connection with any such defaults, workouts or restructuring, although the Funds may exercise voting rights with respect to individual loans, the Funds may not be able to exercise votes in respect of a sufficient percentage of voting rights with respect to any such loans to determine the outcome of such vote.

Distressed Securities. The Deerpath Capital Funds may invest in “distressed securities” - securities, private claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to the Deerpath Capital Funds, but also involve a substantial degree of risk. The Deerpath Capital Funds may lose a substantial portion or all of their investment in a distressed environment or may be required to accept cash or securities with a value less than their investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court’s discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation sometimes arises. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses.

Long-Term Investments. Investment in the Deerpath Capital Funds requires a long-term commitment with no certainty of return. Many of the investments of the Deerpath Capital Funds will be highly illiquid, and there can be no assurance that they will be able to realize on such investments in a timely manner.

Co-Investment Allocations. Funds may co-invest with third parties through partnerships, joint ventures or other structures. Such co-investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor may at any time have financial difficulties resulting in a negative impact on such investment, economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take or block action contrary to the Funds’ investment objectives. In addition, the Funds may in certain circumstances be liable for actions of its third-party co-investors. Furthermore, if a co-investor defaults on its funding obligations, the Funds may be required to make up the shortfall. Deerpath or the General Partners may receive performance-based fees or “carried interest” allocations with respect to certain co-investments, and neither any Fund nor any investor in a Fund shall have any interest in such performance based fees or “carried interest” allocations.

The practice of permitting co-investments raises certain conflicts of interest, particularly in the areas of allocating investment opportunities. The following may mitigate, but will not eliminate, conflicts among Deerpath Capital Funds and potential co-investors: To the extent a particular investment is suitable for multiple Funds, such investment will be allocated between such Funds pro rata based on available capital or in such other manner as the Investment Manager may determine is fair and equitable in light of the respective investment objectives and other circumstances of the Fund and such other accounts. To the extent Deerpath determines that a particular investment opportunity exceeds the available capital therefor of all Funds, Deerpath may allocate such excess investment opportunity to third-party co-investors. In such circumstances, Deerpath may in its discretion make available co-investment opportunities to strategic investors, lenders, other investment funds (or investors therein) managed by Deerpath, one or more limited partners and/or other third parties, in each case on such terms as Deerpath shall determine.

Making an investment in a Fund does not give any investor the right to be allocated co-investment opportunities. Such opportunities may be offered, and most typically will be offered, to certain investors but not to others, and/or they may be offered to third parties who are not investors in any Fund. Further, the size of capital commitments will not always or necessarily be used as a basis for offering co-investment

opportunities. Thus, an investor may be offered fewer co-investment opportunities than investors with equal or smaller capital commitments, and some investors may receive substantial offers for co-investment opportunities notwithstanding that they have capital commitments of the same or lower amount than other investors who may receive no such offers. It is not required that investors participate in co-investments offered by Deerpath.

Deerpath has sole discretion as to the allocation of co-investment opportunities among interested parties, and may or may not offer such opportunities with respect to any or all fund client investments. Deerpath may base any such decisions on a variety of factors, including but not limited to the size of investor commitments to Deerpath Capital Funds, an investor's stated desire to participate in co-investments, the appropriateness in Deerpath's view of offering a co-investment opportunity, an investor's ability to execute such offer, commercial considerations with respect to the applicable portfolio investment, the approval of transaction counterparties and regulatory considerations. No assurances can be given regarding the amount of any co-investment opportunity that may be made available to an investor in connection with any Fund, and nothing in the offering documents constitutes a prediction, projection or guarantee as to the availability to an investor of any future co-investment opportunities.

The Funds will generally bear the broken-deal expenses with respect to co-investment opportunities that are not consummated, in addition other potential investments that may be offered to the Funds. Co-investors in one or more specific investments (including persons who co-invest, or are approached to do so, on a regular basis) will thus generally not be required to share in such broken-deal expenses. However, co-investors who have committed to participate in a transaction and are obligated to bear a share of broken-deal expenses in the event such transaction is not consummated will be required to bear a portion of such expenses.

Co-investment performance is not combined with any Fund's or any investor's performance, including for purposes of determining the Carried Interest Distributions to which a General Partner is entitled or determining the Management Fees owed to Deerpath, unless otherwise separately agreed with an investor. Subject to the terms of any applicable agreements with investors, Deerpath may or may not charge management fees, incentive fees, carried interest or other fees in respect of co-investments. The allocation of any co-investment opportunities may be to the direct or indirect benefit of Deerpath due among other things to the receipt of any such fees or carried interest and capital commitments to a Fund. Because co-investments may be subject to different fees payable to Deerpath or its affiliates, co-investments could create an incentive for Deerpath or an affiliate to favor a co-investment over an investment by a Fund.

Generally, without the consent of the applicable Funds' advisory committee or investors, other than through their participation in the Funds, none of the Principals or their affiliates will invest in any Fund portfolio company, excluding any portfolio securities acquired at substantially the same time and on substantially the same terms as the Fund, subject to the co-investment allocation policies described above.

In order to address potential conflicts of interest presented by co-investments by Funds and third parties, Deerpath has adopted an investment allocation policy, which generally provides that such opportunities shall be allocated by Deerpath, between the appropriate Funds pro rata based on available capital or in some other manner that Deerpath determines is fair and equitable in light of the respective investment objectives and other circumstances of the Funds. In all events, Deerpath will allocate investment opportunities in accordance with applicable law, its fiduciary duties and the applicable governing documents of the Deerpath Capital Funds.

Participations and Assignments. Some Funds may invest in loans in the form of loan participations and assignments of portions of loans. Participations in loans may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally

are offered by banks or other financial institutions or lending syndicates. When purchasing loan participations, a Fund assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary as well as the borrower, and may only be able to enforce its rights through the lender. Investments in loans through a direct assignment of a financial institution's interests with respect to the loan may involve additional risks to the Fund. For example, if a loan is foreclosed, the Fund could become owner of any collateral, in which event the Fund would bear its pro rata share the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that, under emerging legal theories of lender liability, the Fund could be held liable as a co-lender. It is unclear whether loans and other forms of direct indebtedness offer securities laws protections against fraud and misrepresentation. In the absence of definitive regulatory guidance, the Fund relies on the Investment Manager's research in an attempt to avoid situations where fraud or misrepresentation could adversely affect the Fund.

Investments in CLOs. The Funds expect to invest in securities issued in CLO transactions. A CLO issuer is a bankruptcy-remote securitization entity that owns loans and certain other assets as permitted by the transaction documents and issues debt and equity securities ("CLO Securities") in a capital markets transaction, typically in the form of notes (including senior, mezzanine or subordinate notes of differing priority ("Senior Interests") and subordinated notes representing the economic equity in such transaction ("Junior Interests")). The notes are issued on a credit tranching, senior/subordinate basis with the most senior class of notes then outstanding receiving payments first and suffering losses last before each of the junior classes of notes then outstanding, and the junior most class of notes receiving payments last and suffering losses first before the senior classes then outstanding. The Funds expect to invest in the Junior Interests of notes issued by CLO issuers that are advised by the Investment Manager, while other investors may purchase more senior classes of notes (which may be rated or unrated) in the CLO issuer's capital structure, thereby exposing themselves to different risks of principal and interest repayment. The Investment Manager believes that issuing Senior Interests to outside investors and retaining the Junior Interests is an attractive way to access debt financing through the capital markets utilizing a Financing Subsidiary. The Funds also may invest in more senior classes of notes, i.e., Senior Interests, or a combination of Senior Interests and Junior Interests, thereby exposing the Funds to various and different risks of principal and interest prepayment.

CLO issuers make payments to investors quarterly as payments are received with respect to their underlying loans in accordance with a priority of payments, pursuant to which the holders of the Senior Interests and the Junior Interests in the CLO receive payments only after costs, expenses and indemnities, if any, are paid to various service providers to the CLO (including the Investment Manager, to the extent it is acting as investment advisor to such CLO) and the more senior classes of CLO Securities (if any) issued in the CLO are paid as required by the transaction documents. In addition, if various interest coverage and overcollateralization tests specified under the transaction documents are not satisfied, cash distributions that would otherwise be payable to the holders of the more junior classes of CLO Securities (including junior classes of Senior Interests and the Junior Interests) in the CLO are diverted and used to pay down certain amounts of principal on the more senior classes of notes that rank ahead of such Senior Interests and Junior Interests under the priority of payments. If proceeds of the underlying loans are not large enough to pay all classes of CLO Securities, the more junior interests (including the more junior Senior Interests and the Junior Interests) will suffer loss before the next most subordinate class suffers any loss and investors therein (such as the Funds) will likely lose money.

CLO transaction documents typically provide for a ramp up period, a reinvestment period of three to four years, and an amortization period during which principal is repaid on the notes comprising the Senior Interests and then, assuming cash is available to do so and there has not been an earlier redemption or liquidation of the CLO in full pursuant to the transaction documents, capital is returned to the Junior Interest. The date on which the CLO Securities are fully redeemed or repaid varies depending on when

cash is received with respect to the underlying loan portfolio, which in turn will vary depending on prepayments, repayments, restructurings and defaults on the underlying loans, the maturities such underlying loans and the ability of loan obligors to obtain refinancing thereof, as well as decisions made by the class or classes of CLO noteholders entitled under the transaction documents to make such decisions to redeem the CLO's notes through a sale of all of its assets or to liquidate the CLO collateral following an event of default. The term of a CLO held by a Fund or one of its Financing Subsidiaries may differ from the term of the Fund, and CLO Securities held by a Fund may not be repaid prior to the expiration of the Fund's term, in which event, in order to wind up the Fund, the Fund would be required to sell such CLO Securities on the secondary market.

CLO transaction documents impose significant restrictions on the investment activities of the CLO issuer, including, but not limited to, portfolio investment eligibility criteria, concentration limitations, a variety of collateral quality tests that must be met in connection with the acquisition and disposition of loans comprising the loan portfolio, restrictions on loan modifications and other restrictions and limitations required by rating agencies rating the CLO issuer's senior debt securities and certain of the CLO investors, as well as legal and regulatory restrictions applicable to such transactions. To the extent the Investment Manager is acting as investment adviser to a CLO in which a Fund has invested, the Investment Manager may not be able to effectuate transactions that it would like to effect due to such restrictions.

Holders of Junior Interests in CLOs have limited rights, including the right to require the CLO issuer to redeem, refinance or reprice the CLO's debt securities after a specified non-call period to the extent and as provided in the transaction documents and the right to consent to certain material amendments. Many rights in CLOs are exercised by a specified majority of one or more of the then most senior class of notes issued and outstanding under the transaction documents including, among others, the ability to remove and replace the Investment Manager as investment adviser of the CLO in certain circumstances and the ability to direct the CLO trustee to declare an event of default, accelerate the notes and exercise remedies in connection therewith. To the extent the Investment Manager is acting as investment advisor of a CLO issuer in which a Fund is invested, the Fund likely will not have the right to participate in decisions about removal or replacement of the Investment Manager as investment adviser of the CLO. In addition, if a Fund owns less than the specified majority of one or more classes of Senior Interests or Junior Interests it may not be able to direct any action of the CLO issuer without the consent or agreement of other holders of such class or classes of CLO Securities.

In an event of default, the assets of the CLO may be liquidated when permitted or the investment adviser of the CLO is instructed to do so, in each case in accordance with the transaction documents; the proceeds of any such liquidation may not be sufficient to return all or any of the capital invested directly or indirectly by the Fund in such CLO. If the assets in the CLO are not liquidated after an event of default, then the costs, expenses and indemnities, if any, of the service providers to the CLO (including the Investment Manager, to the extent it is acting as investment adviser thereof) and of all senior classes of securities will be paid in full prior to the holders of the Junior Interests receiving any payment. In either such case, the holders of CLO Securities (including the Funds) may suffer losses and may not receive back all or any of the capital invested in such CLO.

Retention interests in a CLO owned directly or indirectly by the Funds are subject to significant transfer and hedging restrictions. In any event, CLO Securities have a limited, illiquid market. The Funds may not be able to sell CLO Securities in CLOs at favorable prices, or at all.

Leverage. Some Funds expect to incur leverage indirectly through the Fund's Financing Subsidiaries in connection with its investment activities. Portfolio investments financed with leverage may have increased exposure to risks including adverse fluctuations in interest rates, downturns in the economy and the inability to refinance debt as it matures. CLOs also utilize leverage in their structures, which can

affect the risk and return profile of various tranches of such structures. While leverage presents opportunities for increasing a Fund's investment returns, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent a Fund's investments are levered, thereby resulting in greater losses to the Fund than would be the case if leverage had not been employed. Further, such Fund's investment objectives are dependent on the continued availability of leverage at attractive relative interest rates. If a Fund is unable to obtain such leverage or if the interest rates of such leverage are not attractive, the Fund could experience diminished returns.

Financing Subsidiaries. Some Funds expect to make most of their investments through Financing Subsidiaries. While the Investment Manager believes that such structure will have distinct advantages for the Funds in terms of enabling the Funds to access greater leverage and diversity than might otherwise be the case, investments made through Financing Subsidiaries carry risks that direct investments do not carry. In particular, the Financing Subsidiaries are not expected to have a fixed term and/or limited investment period, which may affect the Funds' abilities to effectuate distributions to its investors. The Investment Manager expects to finance the exit from investments in Financing Subsidiaries through capital contributions provided by one or more other pooled investment vehicles advised by the Investment Manager, which would be contingent upon the Investment Manager raising successive pools of capital. If such successive pools of capital are not available, the Investment Manager plans to finance the exit from its investments in Financing Subsidiaries through (i) selling investments held by such Financing Subsidiaries in the secondary market or (ii) holding such investments held by Financing Subsidiaries to maturity to collect the exit proceeds, which may delay the wind up of the Funds beyond their intended terms.

CLO Risk Retention Rules. The Investment Manager believes that CLO financing offers a particularly attractive way to obtain leverage to enhance returns on Funds' investments in pools of loans. Effective December 24, 2016, credit "risk retention" rules promulgated by U.S. federal regulators under the Reform Act (together with all future amendments or modifications thereof, and current and future regulatory guidance and interpretations with respect thereto, the "U.S. Risk Retention Rules") generally require one of the "sponsors" of asset-backed securities or a "majority owned affiliate" thereof to retain not less than 5% of the credit risk of the assets collateralizing asset-backed securities. The preamble to the rule text in the U.S. Risk Retention Rules indicates that a party that organizes and initiates a securitization would be the "sponsor." In the case of many middle-market collateralized loan obligation transactions where the underlying loans are primarily coming from the balance sheet of a corporate parent, that corporate parent entity typically organizes and initiates the transaction and, therefore, would be considered the "sponsor" for U.S. Risk Retention Rules purposes, as further discussed in the preamble. For purposes of any CLO in which the Investment Manager acts as the collateral manager/investment advisor, based upon the language in the preamble to the rule text, the Originating Entity (as defined below) intends to act in the capacity of a "sponsor" for such CLO, but there can be no assurance, and no representation is made that any Governmental Authority will agree that such is the case. It is anticipated that the Originating Entity will qualify as an appropriate "sponsor" due primarily to the fact that some or all of the assets to be acquired by each CLO will be primarily or exclusively assets originated by the "sponsor" or an affiliate thereof (or held for the account of the "sponsor" or such affiliate) and subsequently transferred to the CLO (other than any assets that are originated directly in the name of the CLO). However, the Originating Entity and the Investment Manager, may conclude, on the basis of future guidance, evolving market practice or otherwise, that another entity would be the appropriate holder of the retention interest, and accordingly, such other entity or a majority owned affiliate thereof could act as the U.S. retention holder. The U.S. Risk Retention Rules provide that if there is more than one "sponsor" of a securitization transaction, each "sponsor" is to ensure that at least one "sponsor" (or its "Majority Owned Affiliate") retains the requisite retention interest. The Originating Entity may utilize a "Majority Owned Affiliate" to retain the retention interest as well. A "Majority Owned Affiliate" of the sponsor is an entity established by, and the major economic decisions of

which are controlled by, the sponsor or one of its affiliates, and in which the sponsor or such affiliate holds a controlling financial interest as determined under U.S. generally accepted accounting principles.

To comply with the U.S. Risk Retention rules, it is expected that a Financing Subsidiary will act as an “originator” (the “Originating Entity”) or a Majority Owned Affiliate will hold the U.S. Retention Interest. The Investment Manager expects that Funds will initially own a majority of the Originating Entity, though such equity ownership may vary over time.

The European Union has somewhat similar 5% risk retention rules (together with all future amendments or modifications thereof, and current and future regulatory guidance and interpretations with respect thereto, the “EU Risk Retention Rules” and, together with U.S. Risk Retention Rules, the “Risk Retention Rules”), that are triggered when interests in a CLO are held by certain European Union investors such as credit institutions (including banks), investment firms, alternative investment fund managers, and insurance and reinsurance undertakings. Accordingly, to the extent securities issued by a CLO managed by the Investment Manager are to be offered to prospective investors subject to the EU Risk Retention Rules, the Investment Manager expects that the Originating Entity will own all of the Retention Interests (as defined below) required thereunder and will act as an “originator” (as defined in the EU Risk Retention Rules) in connection with such CLO.

Any retention interest required under the U.S. Risk Retention Rules (the “U.S. Retention Interest”) and held indirectly by Funds through their ownership interests in the Originating Entity or a Majority Owned Affiliate will likely be held in the form of an “eligible horizontal interest” which will be represented by Junior Interests in the related CLO (including any CLO warehouse, if applicable) equal to 5% of the fair value (determined using a fair value measurement framework under GAAP) of all securities in the CLO (a “U.S. Horizontal Interest”). A U.S. Retention Interest may also be held in the form of an investment in each class of CLO Securities issued by the CLO (including any CLO warehouse, if applicable) equal to 5% of the face value of each class of securities (a “U.S. Vertical Interest”), or as a combination of a U.S. Horizontal Interest and a U.S. Vertical Interest calculated proportionately, in each case, in a manner that complies with the requirements of the U.S. Risk Retention Rules.

Similarly, the retention interest required under the EU Risk Retention Rules (the “EU Retention Interest” and together with the U.S. Retention Interest, the “Retention Interest”) and held indirectly by Funds through their ownership interests in the Originating Entity, will likely be structured in the form of a horizontal interest. An EU Retention Interest may also be held in the form of an interest in each tranche of CLO Securities issued by the CLO issuer to investors on the related closing date, by way of holding the minimum principal amount of such tranche required by the E.U. Risk Retention Rules, currently being an amount equal to at least five percent (5%) of the nominal value of each tranche of securities issued to investors on the related closing date.

Any holder of the Retention Interest will be prohibited from transferring or hedging such Retention Interests except to the extent permitted under the applicable Risk Retention Rules. The Risk Retention Rules generally prohibit transfers of the Retention Interests other than to certain entities affiliated with the “originator” for the life of the related CLO under the EU Risk Retention Rules and, under the U.S. Risk Retention Rules, until the aggregate outstanding principal balance of the CLO issuer’s securities has been reduced to one-third of the aggregate original amount thereof or the reduction of the aggregate outstanding principal balance of the CLO issuer’s assets to one-third of the aggregate ramped-up outstanding principal balance thereof. Credit risk hedging of the applicable Retention Interest is prohibited by the applicable Risk Retention Rules. Equity interests owned by Funds in the Originating Entity and/or in the Majority Owned Affiliate will also be subject to significant transfer restrictions, will be illiquid and may not be able to be sold at an attractive price or at all.

The Risk Retention Rules are not clear (or are silent) in many respects and are subject to change and varying interpretations. Applicable regulators have given no formal guidance with respect to the U.S. Risk Retention Rules. The EU Risk Retention Rules are in the process of being revised and it is unclear what changes will be made to them or when any final revised rules will become effective. Any such guidance or changes may impose additional legal requirements, obligations, and potential liabilities, on the Investment Manager or on the entity that holds the related Retention Interest (including the Funds, the Originating Entity and/or the Majority Owned Affiliate, as applicable), none of which are known today. No assurance can be given that the approach contemplated herein will satisfy applicable Risk Retention Rules now or in the future. A determination by a regulator that the approach contemplated herein does not satisfy the Risk Retention Rules would have a substantial adverse effect on the Investment Manager and could have a substantial adverse effect on the Funds, directly or indirectly. If such transactions, structures or arrangements were determined to subject the Funds, the Originating Entity or the Investment Manager to unacceptable regulatory risk, the ability to undertake CLOs or other asset-backed securitization structures for financing may be limited or otherwise curtailed. In such event, the Funds plan to rely on financing provided by one or more banks or institutional investors which may be available only on less attractive terms than the contemplated CLO financing. The Funds, the Originating Entity, the Majority Owned Affiliate or the Investment Manager may also be required to pay damages, transfer interests or be subject to cease and desist orders or other regulatory action to the extent any investments in Retention Interests were determined to have been made in violation of the Risk Retention Rules, which could materially adversely affect any of the Funds, the Originating Entity, the Majority Owned Affiliate, the Limited Partners or the Investment Manager.

Limited Number of Investments. The Deerpath Capital Funds are expected to make only a limited number of investments, and as a consequence, the aggregate return on their investments may be substantially adversely affected by the unfavorable performance of even a single investment by them. Other than as set forth in the partnership agreements of the Deerpath Capital Funds, limited partners of the Funds have no assurance as to the degree of diversification in the Deerpath Capital Funds' investments, either by geographic region or asset type.

Investments Longer than Term. The Deerpath Capital Funds expect to make investments which may not be advantageously disposed of prior to the date that they will be dissolved, either by expiration of their terms or otherwise. Although Deerpath expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution and there is a limited ability to extend the term of the Deerpath Capital Funds, the Deerpath Capital Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Distributions In Kind. Deerpath intends to make distributions in cash, except marketable securities. However, upon liquidation of the Funds, distributions may be made in kind and could consist of securities for which there is no readily available public market.

High Risk Investments. The Deerpath Capital Funds may invest in debt and equity securities, accounts and notes payable, loans, private claims and other financial instruments and obligations of troubled companies which may result in significant returns to the Funds, but which involve a substantial degree of risk. The Funds may lose their entire investments in troubled companies, may be required to accept cash or securities with a value less than the Funds' investments and may be prohibited from exercising certain rights with respect to such investments. Troubled company investments may not show any returns for a considerable period of time. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Troubled company investments may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled

companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation.

Use of Leverage by Portfolio Companies. The portfolio companies in which the Deerpath Capital Funds will invest may be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs or to pay principal and interest on the Deerpath Capital Funds' investments when due. The leveraged capital structure of portfolio companies will increase the exposure of the Deerpath Capital Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates.

Follow-On Investments. In certain investments, the Deerpath Capital Funds may be called upon to provide additional funds to a portfolio company. There is no assurance that they will make such follow-on investment or that they will have sufficient funds to make such investments.

Equity Securities. The Deerpath Capital Funds may invest in equity securities. Such investments will be subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

Valuation Policy and Risks. Many of the Funds' assets are expected to be instruments that are not publicly traded, which makes such instruments inherently difficult to value. The Investment Manager's fair value methodology is in accordance with the fair value principles established by the Accounting Standards Codification Topic 820. The Investment Manager may use the services of one or more independent service providers to review the valuation of its illiquid investments. In determining the fair value of a Fund's investment, the factors that the Investment Manager may take into account generally include, as appropriate, (i) a comparison to publicly traded securities, including yield, maturity and measures of credit quality; (ii) the enterprise value of a portfolio company; (iii) the nature and realizable value of any collateral; (iv) the portfolio company's ability to make payments and its earnings and discounted cash flow value; (v) the markets in which the portfolio company does business; and (vi) any other relevant factors.

The fair value measurement is the price that would be received for an investment on a current sale and assumes that the transaction to sell an asset occurs in the principal market for the asset or, in the absence of a principal market, the most advantageous market for the asset, which may be a hypothetical market, and excludes transaction costs. When an external event such as purchase transaction, public offering or subsequent equity sale occurs, the Investment Manager will consider the pricing indicated by the external event in determining the fair value of the investment. However, because orderly markets do not and may not ever exist for some investments, the Investment Manager's determinations of the fair value of investments may differ from the values that would have been used had a ready market existed for such investments.

Valuation of CLO Investments. CLO Securities are inherently difficult to value. These investments are generally illiquid securities. To value these investments, the Investment Manager may use valuation software that contains the relevant details of the collateral underlying the securities (e.g., principal amount, interest rates, maturity dates, etc.), as well as assumptions to determine projected cash flows, including assumptions regarding collateral default rate, recovery rate and reinvestment rate. These cash flows are then discounted at an appropriate discount margin as determined by the Investment Manager to calculate the estimated fair market value of the investment. Valuing the tranches of securitization vehicles

by looking at their underlying collateral is inherently difficult, and the actual value of the cash flows received over the life of the investment may materially differ from the Investment Manager's valuation of such investment prior to receipt of such cash flows.

Currency Exposure. The assets of the Deerpath Capital Funds may be invested in securities and other investments which are denominated in currencies other than U.S. Dollars or in securities issued by companies with substantial non-U.S. Dollar assets. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. The General Partners of the Deerpath Capital Funds may seek to hedge the foreign currency exposure of the Funds. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the U.S. Dollar and other currencies.

Foreign Securities. There are certain additional risks involved in investing in securities of non-U.S. issuers. These risks include those resulting from fluctuations in currency exchange rates, revaluation of currencies, future adverse political and economic developments and the possible imposition of foreign governmental laws or restrictions, reduced availability of public information concerning issuers, the lack of uniform accounting, auditing and financial reporting standards and other regulatory practices and requirements that are often less rigorous than those applied in the U.S. Securities of many foreign companies may be less liquid and their prices more volatile than those of securities of comparable U.S. companies. Certain foreign countries are known to experience long delays between the trade and settlement dates of securities purchased or sold. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments positions. Investment in foreign securities may also result in higher operating expenses due to the cost of converting foreign currency into U.S. Dollars.

Economic Conditions. Changes in economic conditions, including changes in interest rates, inflation rates, industry conditions, government regulation, competition, technological developments, political events and trends, tax laws and many other factors can affect substantially and adversely the business and prospects of the Funds. None of these conditions is within the control of Deerpath.

Potential Public Health Crisis; Covid-19. A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent global outbreak of coronavirus (or Covid-19), could have an adverse impact on global, national and local economies, which in turn could negatively impact Fund investors. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) may adversely impact the Funds' investments, including by delaying or causing supply chain disruptions or by causing staffing shortages. In addition, the imposition of travel restrictions may impact the ability of the Investment Manager's personnel to travel in connection with potential or existing Fund investments or to the Investment Manager's offices, which could negatively impact the ability of the Investment Manager to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of Covid-19 has contributed to, and may continue to contribute to, volatility in financial markets, including changes in interest rates. A continued outbreak may reduce the availability of debt financing to the Funds and potential purchasers of the Funds' investments, which could have material and adverse impact on the Funds' returns. The impact of a public health crisis such as the current Covid-19 pandemic (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to any Fund's performance.

Prime Broker Insolvency. The business relationship between the Funds and their brokers will be that of debtor/creditor and accordingly the insolvency of a broker may result in the Funds being in no better position than any other unsecured creditor of such broker.

Debentures. Debentures are 10-year unsecured loans to Deerpath Funding Advantage and DFV (the “SBIC Funds”) provided by the SBA. Upon liquidation of the SBIC Funds, both unpaid principal and accrued interest will have priority over payment of amounts due to investors in the SBIC Funds. Upon the occurrence of an event of default under the agreements pursuant to which the SBIC Funds issue debentures, or as provided in SBA regulations, the SBA may accelerate the maturity date of the debentures and declare their principal amount, together with accrued interest, to be immediately due and payable. While use of SBA Leverage may enhance the returns to the limited partners if the SBIC Funds meet their investment objectives, returns to the limited partners may be reduced or eliminated if the returns are less than the costs of operating the SBIC Funds, including the costs attributable to using the debentures.

Limitations on Transfers. An investor’s limited partner interests in DFAV may not be transferred separately from such investor’s interest as a Class B Partner of DFV. Moreover, the SBA currently takes the position that no interest in DFV (and thus in DFAV) or Deerpath Funding Advantage may be transferred without its consent. In addition, in order to secure the SBA leverage, certain significant investors may be required to provide the SBA with their written agreement (i) not to transfer their Interests without the SBA’s consent and (ii) to be liable for repayment of the SBA-provided debentures if the investor participates in an impermissible change in control of a SBIC Fund. Current SBA policy requires such an agreement from investors with a 50% or greater interest in a SBIC Fund. A member’s interest in Pondfield Capital may not be transferred without the consent of the Board. A limited partner’s interest in Pondfield Capital Advantage, Deerpath Capital (US), Deerpath Capital (Cayman), DCIV, DCAV-B, DCAV(Cayman), DCAV(US), and AIF, may not be transferred without the consent of its General Partner.

SBA Funding. Becoming licensed as an SBIC does not guarantee that a SBIC Fund will receive SBA debenture funding. Receipt of SBA leverage funding is dependent upon the SBIC Fund continuing to be in compliance with SBA regulations and policies and the availability of funding. The amount of SBA leverage funding available to SBICs is dependent upon annual Congressional authorizations and in the future, may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient SBA debenture funding available at the times desired by the SBIC Funds.

SBA Regulations. The SBIC Funds will be subject to SBA regulations and policies that may change during the life of the SBIC Funds in ways that might require the SBIC Funds to alter their business activities. Current SBA regulations provide the SBA with certain rights and remedies if an SBIC violates SBA regulations or policies. If a SBIC Fund issues SBA leverage, it will be required to avoid “Capital Impairment” which will be considered to exist if the SBIC Fund’s “Capital Impairment Ratio” (calculated by adding such SBIC Fund’s realized losses and net unrealized depreciation¹ and dividing the result by such SBIC Fund’s private capital) exceeds permitted levels detailed in the regulations and which vary depending on the proportion of equity investments made by the SBIC Fund. Remedies for regulatory violations are graduated in severity depending on the seriousness of Capital Impairment or other regulatory violation. For minor regulatory infractions, warnings are given. For serious infractions, the use of SBA leverage may be limited or prohibited, outstanding SBA debentures can be declared to be immediately due and payable, restrictions on distributions and making new investments may be imposed, management fees may be required to be reduced and investors may be required to pay their unfunded capital commitments to the SBIC Fund. In severe cases, the SBA may require removal of the General Partner of the SBIC Fund or its officers or directors, or the SBA may obtain appointment of a receiver for the SBIC Fund.

Limitations on Distributions. Pursuant to SBA regulations, an SBIC with outstanding SBA debentures may distribute cumulative realized profits (less unrealized losses on investments) to its investors, but it may not return more than 2% of its outstanding capital to investors in any fiscal year without

¹ The actual calculation is complex as certain types of unrealized appreciation are not fully credited.

the SBA's prior approval. Historically, the SBA has permitted repayments in excess of 2% only pursuant to an approved "wind-up" plan filed by an SBIC pursuant to which the SBA determines that repayment of the outstanding SBA debentures is adequately assured. These limits on distributions may result in investors in the SBIC Funds receiving "phantom income." The distributions to investors of Pondfield Capital and Pondfield Capital Advantage are determined by the Board and the Pondfield GP, respectively.

Investment Limitations. SBA Regulations place restrictions on the companies in which an SBIC can invest and on certain terms of investments by SBICs, thereby restricting the companies that the SBIC Funds can finance and potentially adversely affecting the returns on investments. An SBIC can only invest in a "small business concern." For purposes of this limitation a "small business concern" is one that (i) has tangible net assets of not more than \$18 million and average net income after Federal taxes not in excess of \$6 million for the previous two years or (ii) meets a certain maximum size test for its industry measured in number of employees or annual receipts ("Alternative Criteria"). In addition, as a condition to drawing leverage from the SBA, an SBIC must invest 25% of the aggregate amount of its financings in smaller enterprises, that is companies that have a net worth of not more than \$6 million and average net income after Federal income taxes not in excess of \$2 million for the previous two years or that meet the Alternative Criteria. An SBIC generally cannot invest in relenders or reinvestors, passive businesses, many types of real estate businesses, project financing, oil and gas ventures or foreign companies. Without SBA approval, an SBIC is prohibited from a variety of investments that present conflicts of interest. Rules govern amortization, the maximum interest rates that can be charged on loans or loans with equity features, the minimum term of investments (generally one year) and the redemption price for equity securities. Pondfield Capital, Pondfield Capital Advantage, Deerpath Capital (US), Deerpath Capital (Cayman), DCIV, DCAV-B, DCAV(Cayman), DCAV(US), and AIF may invest in companies that do not fit the above definition of small business concern at the discretion of the Board and their General Partners, respectively.

*The Deerpath Capital Funds and prospective investors in the Deerpath Capital Funds are provided with offering documents, including a confidential private placement memorandum, for the respective Deerpath Capital Fund that provide a detailed description of the material risks related to an investment in that Deerpath Capital Fund. Such investors are advised to carefully review **all** risk factors set forth in those documents.*

Item 9
Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

In May 2019, Deerpath became aware that State of the California has a California Financing Law (“CFL”) that requires finance lenders making and brokering consumer and commercial loans in California to be licensed and regulated. After becoming aware of the CFL requirements, Deerpath promptly contacted legal counsel and submitted a license application in August 2019 for Deerpath Funds’ future lending activities in California and voluntarily self-reported loans Deerpath made in California prior to becoming aware of the CFL requirements. By way of background, Deerpath began its business as an investment manager of small business investment companies (“SBICs”) in 2009 and only managed SBICs until 2013. Because SBICs are expressly exempt from CFL licensing requirements, Deerpath did not pursue licensure for its activities when establishing its business. In 2013, Deerpath launched a series of non-SBIC funds, which operated under the same investment strategy as its SBIC funds. Deerpath was unaware at that time of the requirement that non-SBIC funds would require licensing under the CFL to make certain loans to California borrowers. Deerpath reached an agreement with the California Department of Business Oversight in April 2020 to pay a fee of \$62,500 to settle the past violations and received our lenders license in April 2020.

Item 10
Other Financial Industry Activities and Affiliations

A. If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Not applicable.

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable.

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

- 1. broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
- 3. other investment adviser or financial planner**
- 4. futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. banking or thrift institution**
- 6. accountant or accounting firm**
- 7. lawyer or law firm**
- 8. insurance company or agency**
- 9. pension consultant**
- 10. real estate broker or dealer**
- 11. sponsor or syndicator of limited partnerships**

As stated in Item 4 of this brochure, Deerpath does not act as a general partner for any of its Funds; the General Partners serve as the general partners to the Funds. The General Partners are generally eligible to receive Carried Interest Distributions from their respective Funds as described in Item 5 of this brochure. The specific payments terms and other conditions applicable to each Fund’s Carried Interest Distributions are set forth in the applicable Fund’s offering documents, Side Letters and/or fee agreements.

Through common control, Deerpath is affiliated with each Fund’s respective General Partner. Additionally, as described above in Item 6 of this brochure, the receipt of Carried Interest Distributions from Funds may create an incentive for the General Partners to cause such Funds to make riskier or more speculative investments than they would otherwise make in the absence of Carried Interest Distributions. Each Fund’s General Partner may be required to return excess amounts of Carried Interest Distributions as a “clawback,” pursuant to the Fund’s applicable offering documents. This clawback obligation may create an incentive for a General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a clawback situation for the General Partner.

Deerpath addresses these conflicts of interest by providing in its Code of Ethics that Deerpath’s and its employees’ primary duty and responsibility is to its Funds and their best interests, providing training

to its employees with respect to conflicts of interest and how such conflicts are resolved under Deerpath's written policies and procedures.

Deerpath and its affiliates may be engaged in the loan origination and/or servicing businesses. In connection with their lending activities, such loan origination and/or servicing businesses may receive certain fees, including, director's fees, commitment fees, investment banking fees, financial consulting fees, break-up fees, termination fees, closing fees, collateral monitoring fees, debt placement fees and other similar fees received as part of such loan origination and/or servicing businesses. Such fees may be charged on a cost reimbursement or on a cost-plus basis. Funds may acquire loans originated, structured, arranged and/or placed and/or arranged by such affiliated loan origination and/or servicing businesses and in respect of which such businesses receive fees. Each Fund's proportionate share of any such fees shall offset Management Fees otherwise payable by such Fund, except any fees paid by portfolio companies in exchange for the Investment Manager or any of its affiliates monitoring the Fund's investments in such portfolio companies shall not, to the extent provided in the Fund's offering documents, offset Management Fees otherwise payable by the Fund.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not applicable.

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

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

Deerpath has established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest arising between and among Fund accounts as well as between Fund accounts and its personnel.

Deerpath strives to adhere to the highest industry standards of integrity, professionalism and trust. To this end, Deerpath has adopted a code of ethics (“Code of Ethics”) intended to protect against misuse of material non-public information in trading, address and provide procedures where Deerpath and its employees engage in activities that could conflict with the interest of our clients and ensure that Deerpath and its employees adhere to policies intended to eliminate so-called “pay to play” practices when soliciting business. Each employee is required to report to Deerpath’s compliance committee any known or suspected violations of the Code of Ethics or law.

Each newly hired employee receives a copy of the Code of Ethics and is required to certify that he or she has read and understands it. Training is provided for employees with respect to the Code of Ethics and their duties under it. On an annual basis, each Deerpath employee must certify that he or she has read and understands the Code of Ethics, has complied with its provisions and has disclosed, pre-cleared and arranged for the reporting of all transactions in securities consistent with the requirements of the Code of Ethics.

A copy of Deerpath’s Code of Ethics is available to any client or prospective client upon request.

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

As explained in Item 10.C above, Deerpath acts as the investment manager for each of the Funds.

Deerpath, its employees, affiliates or their related persons are invested in the Funds, either directly or through the General Partners’ investments in the Funds. The fact that Deerpath, its employees, affiliates or their related persons may also invest directly in any one, some or all of the Funds creates a potential conflict in that it could cause Deerpath to make different investment decisions than if they did not have such a financial ownership interest. Further, Deerpath charges the Funds fees based on a percentage of assets under management via the Management Fee and performance via the Carried Interest Distribution. The Management Fee is payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Deerpath to raise or otherwise increase assets under management to a higher level than would be the case if Deerpath were receiving a lower or no Management Fee. The receipt of a Carried Interest Distribution may create an incentive for Deerpath to make investments that are riskier or more speculative than it otherwise would.

Deerpath has adopted rules intended to detect and prevent conflicts of interest that arise when Deerpath’s related persons own, buy or sell securities. The Code of Ethics requires Deerpath employees to place the interest of clients first, and on an annual basis each Deerpath employee must certify that he or she

has read and understands the Code of Ethics and has complied with its provisions. Each Deerpath employee is required to adhere to Deerpath's personal trading rules.

Funds may engage in transactions in which they purchase securities or other instruments from, or sell securities or other instruments to, other funds or managed accounts managed by the Investment Manager and/or its affiliates, so called "cross-transaction," for purposes of capital diversification, leverage, liability, available capital, tax and/or other reasons as may arise from time to time. Such cross-transactions may create an incentive for Deerpath to favor Funds in which it has a greater economic interest. Neither the Investment Manager nor its affiliates will take brokerage commissions or otherwise be compensated for effecting these cross-transactions. Prior to effecting any cross-transactions, the Investment Manager will make a good faith determination that the transaction is in the best interests of the Fund and the other participating client account. Cross-transactions will be effected at fair market value (as supported by an independent valuation agent).

In particular, from time to time, the Investment Manager expects to cause some Funds to offer to sell to other Funds or a Financing Subsidiary or other investment vehicle owned by them certain interests in loans originated by or on behalf of those Funds on or after 90 days after the closing and funding of such loan. The offer price of the interest will be established based on the current fair market value of such loan and may reflect compensation to the originating Fund for the origination of such loan as well as a discount from par customarily shared or passed on to a secondary purchaser of such loan. In all events, the sale of such interest will be subject to the approval of one or more independent advisors or directors of the purchaser who are not affiliated with the Investment Manager or the originating Fund.

C. If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Although Deerpath generally does not permit a Principal or employee of Deerpath to invest in the same securities as one of the Deerpath Capital Funds, Deerpath, its employees, affiliates or their related persons may buy, sell or otherwise invest in securities for their own accounts that they also recommend to the Funds. Each such related person transaction is separately identified and made strictly in accordance with Deerpath's Code of Ethics. In order to manage this conflict of interest, Deerpath's Code of Ethics requires related persons of Deerpath to obtain prior written approval from the Chief Compliance Officer before engaging in most securities transactions in their personal accounts. Such employee transactions will be reviewed in the best interests of the Funds and will be denied by the Chief Compliance Officer if there is a risk of potential adverse consequences to the Funds. In particular, Deerpath has established a Restricted List in the event that Deerpath obtains non-public information on an issuer that could potentially be inside information. Approval generally will not be given for any proposed personal transactions in securities that are on the Restricted List.

D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Please see Item 11.C above.

Item 12
Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

- a. Explain that when you use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.**
- b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your *clients’* interest in receiving most favorable execution.**
- c. If you may cause *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.**
- d. Disclose whether you use soft dollar benefits to service all of your *clients’* accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.**
- e. Describe the types of products and services you or any of your *related persons* acquired with *client* brokerage commissions (or markups or markdowns) within your last fiscal year.**
- f. Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for soft dollar benefits you received.**

As a result of Deerpath’s focus on making privately negotiated investments in the debt and equity of middle market companies, Deerpath buys or sells public securities through broker-dealers infrequently. As such, commissions paid to broker-dealers are not a material expense of the Deerpath Capital Funds. In the event that Deerpath does use a broker-dealer for limited purposes, Deerpath generally seeks to obtain best execution of transactions. In doing so, Deerpath seeks to execute securities transactions for the Deerpath Capital Funds in such a manner that the Funds’ total costs or proceeds in each transaction are the most favorable under the circumstances. In assessing whether that standard is met, Deerpath shall consider the full range and quality of a counterparty’s services when placing orders, including, among other things, execution capability, commission rate or spread, financial responsibility and responsiveness and the value of any research services provided.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a *related person* receives *client* referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

- a. **Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving *client* referrals, rather than on your *clients'* interest in receiving most favorable execution.**
- b. **Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for *client* referrals.**

Not Applicable.

3. Directed Brokerage.

- a. **If you routinely recommend, request or require that a *client* direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their *clients* to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of *client* transactions, and that this practice may cost *clients* more money.**
- b. **If you permit a *client* to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of *client* transactions. Explain that directing brokerage may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.**

Not Applicable.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various *client* accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to *clients* of not aggregating.

Given Deerpath's focus on making privately negotiated investments in the debt and equity of middle market companies, the assets in which the Funds invest generally are not publicly traded securities and the manner in which the Funds invest generally is not by purchasing publicly traded securities through a broker. The issue of aggregating the purchase or sale of securities for various client accounts is less important for the Funds than it would be for other funds investing in public securities. The Funds may have overlapping investment programs. If Deerpath determines that it would be appropriate for more than one Fund to participate in an investment opportunity, the investments by the different Funds would generally be on the same price and terms. In such instances, Deerpath will allocate opportunities on a basis believed to be fair and equitable given the circumstances; no participating Fund will receive preferential treatment over any other.

The classification of an investment opportunity as appropriate or inappropriate for a particular Fund or any other Fund shall be made by Deerpath, in good faith, at the time of purchase, and this determination will frequently be subjective in nature. Where potential conflicts with other Funds do exist, such opportunities shall be allocated by Deerpath, between the appropriate Funds pro rata based on available capital or in some other manner that Deerpath determines is fair and equitable in light of the respective investment objectives and other circumstances of the Funds.

Item 13
Review of Accounts

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

Deerpath performs a quarterly valuation review for each investment held by each of the Deerpath Capital Funds. Deerpath reports quarterly financial results based on these valuation updates to the investors in the Deerpath Capital Funds. Deerpath has engaged a third-party valuation service provider to review and provide positive assurance on each investment held by Deerpath on an annual basis. Deerpath provides third-party audited financial statements to the investors in each of the Deerpath Capital Funds on an annual basis. Deerpath also conducts and provides periodic reviews and reporting to the SBA as required by the SBA. This includes providing third-party audited financial statements on the Deerpath Capital II, Deerpath Funding Advantage and DFV to the SBA.

These reviews and reports are conducted and prepared by the following individuals:

Gary C. Wendt, Chairman
James H. Kirby, President
John B. Fitzgibbons, Vice Chairman
Anish K. Bahl, Chief Financial Officer, Chief Compliance Officer

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

See Item 13.A above.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

See Item 13.A above.

Item 14
Client Referrals and Other Compensation

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not Applicable.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

Deerpath has utilized the services of outside placement agents when soliciting commitments from certain investors to the Deerpath Capital Funds. Services provided by the outside placement agents were making introductions and facilitating discussions with potential investors in the Deerpath Capital Funds. Deerpath generally pays such placement agents a fee based on a formula tied to the dollar amount of commitments from investors whom they introduce to Deerpath.

Item 15

Custody

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Deerpath, the General Partners and the Board are deemed to have custody by virtue of their status as investment manager, general partner or Board of Managers of the Funds, except Deerpath does not have custody of the assets of DC CLO, DC CLO2 DCM SP or DCM DF.

The investors in the Deerpath Capital Funds generally receive reporting directly from Deerpath. They do not receive account statements from other custodians or other outside parties. Investors in the Funds will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days, of the end of the Funds' fiscal years. Investors should carefully review the audited financial statements of the Funds upon receipt. Deerpath may use additional qualified custodians in the future.

Item 16
Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Deerpath, the General Partners, the Board and the Pondfield GP have discretionary authority to manage the investments of the Funds. Deerpath, the General Partners, the Board and the Pondfield GP are authorized to make all investment decisions for the Funds. Individual investors in the Funds do not have the ability to impose limitations on Deerpath's discretionary authority. Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement and a limited partnership agreement, which constitute a legal, valid and binding obligation of the investor, enforceable in accordance with their respective terms.

Item 17
Voting Client Securities

A. If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

Given their focus on making privately negotiated investments in the debt and equity of middle market companies, the Deerpath Capital Funds rarely will be in a position to vote on behalf of public securities. The Deerpath Capital Funds are pooled investment vehicles and each is controlled by its General Partner and or the Board. All voting with respect to securities owned by the Deerpath Capital Funds is controlled by the General Partner or the Board of each respective Fund and implemented by Deerpath upon direction by the General Partner or the Board in accordance with Deerpath's proxy voting policies and procedures.

Deerpath's proxy voting policies and procedures are available to investors and prospective investors in the Funds upon request. Existing clients may obtain copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund.

B. If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

Not applicable.

Item 18
Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

- 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.**
- 2. Show parenthetically the market or fair value of securities included at cost.**
- 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.**

Not Applicable.

B. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

Deerpath is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

Not applicable.