

Item 1. Cover Page

**Brochure of
Community Investment Management LLC**

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This brochure provides information about the qualifications and business practices of Community Investment Management LLC, a Delaware limited liability company (“**CIM**”). If you have any questions about the contents of this brochure, please contact us at (415) 857-3233 or investorservices@cim-llc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2. Material Changes

This Brochure has been updated to reflect the launch of Community Investment Management Emerging Markets LLC, an affiliate of CIM that is expected to manage certain funds in the future.

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Item 4. Advisory Business

CIM is a Delaware limited liability company that was formed in 2012. It serves as the investment adviser to CIM Enterprise Loan Fund, L.P., a Delaware limited partnership (“**CELF**”) and Community Fintech Strategies Fund, L.P. (“**Fintech Strategies**”). CELF and Fintech Strategies are referred to individually as a “**Fund**” and collectively as the “**Funds**”. CIM’s affiliate, CIM GP LLC, a Delaware limited liability company (the “**General Partner**”), serves as the general partner of each Fund.

CIM’s affiliate, Community Investment Management Emerging Markets LLC (“**CIM EM**”) was formed in 2020 to serve as the investment adviser to certain pooled investment vehicles. It currently has no operations and does not advise any clients. References herein to “CIM” include CIM EM as the context requires.

CIM’s managing partner is Jacob Haar. As of December 31, 2020, CIM had regulatory assets under management of approximately \$205,214,235 million (which was calculated using the most recent date on which CIM had asset values from its service providers for each Fund (February 1, 2021, for CELF and December 31, 2020, for Fintech Strategies). CIM only manages assets on a discretionary basis.

CIM invests substantially all of CELF’s assets indirectly through various special purpose vehicles that may be structured as trusts, corporations, limited partnerships, limited liability companies or other entities (“**Alternative Investment Vehicles**”) in credit assets of small businesses and individuals (“**Communities**”) in the United States that are underserved by the traditional banking sector. CELF primarily invests in the credit assets of these underserved Communities generated by innovative credit providers, such as financial technology companies and other companies providing alternative credit products (“**Alternative Credit Providers**”) that are addressing the financing gap between banks and high cost alternative lenders. Such credit assets include a spectrum of products, including but not limited to receivables, credit lines, income share agreements, advances, subscriptions, revenue-based financing, factoring of receivables, and other alternative credit arrangements (collectively, “**Alternative Credit Assets**”).

While CIM typically serves as the Alternative Investment Vehicles’ manager, the Alternative Investment Vehicles are not available for direct investment, are typically directly or indirectly wholly owned by CELF, and their assets are consolidated into CELF’s assets for financial reporting. Accordingly, the Alternative Investment Vehicles are not treated as separate clients for the purposes hereof.

CIM intends to create different series of interests in Fintech Strategies, each with its own investment strategy. The first such series, called Colorado Small Business Response Fund, seeks market rate returns and social impact by supporting small business financing in Colorado primarily by investing in Alternative Credit Assets generated by Alternative Credit Providers that are addressing the immediate financing needs for small businesses and small business owners in Colorado that are underserved by the traditional banking sector.

CIM may invest any Fund's assets in other types of fixed-income and other securities in the future.

The investors in the Funds have no opportunity to select or evaluate any fund investments or strategies. CIM selects all investments and strategies.

CIM does not participate in wrap fee programs.

Item 5. Fees and Compensation

CIM delivers this brochure to prospective investors in the Funds that are qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. Therefore, information on how CIM is compensated for its advisory services and its fee schedule with respect to the Funds are not included here.

CIM deducts management fees and performance allocations (if applicable) directly from each Fund or its Alternative Investment Vehicles. Performance allocations may create an incentive for CIM to make more risky and speculative investments than it would otherwise make.

CIM complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law. CIM believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in the Fund, to use the "alternative reporting option" to report CIM's compensation as "eligible indirect compensation" on the Schedule C of the plan's Form 5500 Annual Return/Report of Employee Benefit Plan.

CIM's and the General Partner's relationship with each Fund are terminable on specified prior written notice or withdrawal of the General Partner. Each investor generally may withdraw from CELF or the Colorado series of Fintech Strategies, on specified prior written notice, on the last day of any calendar month (in the case of CELF) and on the last day of any calendar quarter after a two-year "lock up" (in the case of the Colorado series of Fintech Strategies), subject to substantial limitations, including on aggregate withdrawals on any permitted withdrawal date. Such limitations are described in detail in each Fund's offering documents.

On termination or an investor's withdrawal, in all cases, expenses, the pro rata portion of the management fee and the performance allocation (if applicable) through the date of termination or withdrawal are charged to the Fund or the investor, as applicable. An investor who withdraws from a Fund does not receive a refund of any management fee previously paid.

Each Fund is responsible for all of its own costs and expenses, including by way of example, but not limited to, trading costs and expenses (such costs and expenses of conducting due diligence regarding investments and negotiating and entering into contracts and arrangements related to receivables and loans, costs and expenses of finding and making investments and increasing potential deal flow, research-related fees and expenses, and expenses related to other investment activities, including projecting or enhancing the Fund's value), ongoing legal, accounting and

bookkeeping fees and expenses, fees and expenses of the Alternative Investment Vehicles, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. CIM has agreed to pay certain of these expenses in excess of a fixed percentage per month, subject to a recapture provision, all as described in each Fund's offering documents. In addition to such covered expenses, if any, CIM bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by custodians, brokerage firms or futures commission merchants that execute or participate in trades, as discussed in Item 12 below.

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

CIM manages investment funds (CELf) that charge performance-based special profit allocations and other investment funds (the Colorado series of Fintech Strategies) that do not charge performance-based special profit allocations. CELf may invest in similar instruments as the Colorado series of Fintech Strategies, and CIM has an incentive to allocate investments to whatever funds will pay the highest fees, including performance-based special profit allocations or higher management fees. CIM does not expect significant overlap between investment opportunities appropriate for CELf and the Colorado series of Fintech Strategies. However, to the extent that an overlap may exist, CIM attempts to address this conflict by disclosing to clients that it expects to allocate all investment opportunities that it determines are appropriate for CELf to that fund first, and then, to the extent continued investment opportunities remain after CELf has reached its maximum target allocation in that opportunity, such opportunities may be made available to the Colorado series of Fintech Strategies.

Item 7. Types of Clients

CIM provides investment advice to the Funds and their Alternative Investment Vehicles. Investors in each Fund are required to invest a minimum of \$250,000, but CIM may waive this minimum.

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

Investment Strategy

CIM provides to each investor in each Fund a copy of the Fund's offering documents, which contain a detailed description of the Fund's investment strategy.

The investment strategies summarized in the offering documents represent CIM's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which CIM may take positions on behalf of a Fund, the types of positions that it may take, the concentration of its investments in asset types or the amount of leverage that it may use. CIM may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in investment markets and the economy generally, CIM may pursue any objectives or use any techniques that it considers appropriate and the Fund's interest.

Risk Factors

Investing involves risk of loss that investors should be prepared to bear. Below are some of the risks that investors should consider before investing in any Fund. Any or all of such risks could materially and adversely affect investment performance, the Fund's value or any asset held by the Fund, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that an investor may encounter. Potential investors in a Fund should review its offering documents carefully and in their entirety, and consult with their professional advisers before deciding whether to invest

- Each Fund's investments will be concentrated in Alternative Credit Assets and other fixed-income securities. As a result of this concentration, a Fund may be subject to more risk than would be the case in a diversified securities portfolio. Markets for fixed-income assets fluctuate and the market value of any particular receivable or obligation may vary substantially over time.
- CIM's strategy is continually evolving, and it has broad discretion to trade on new markets and Alternative Credit Providers and incorporate new types of investment instruments into a Fund's portfolio, such as investments in securities issued through newly formed Alternative Credit Providers or in other income-producing investment products. Any such new markets and instruments may subject a Fund to additional risks.
- Investing in fixed income instruments involves special risks, including unfavorable changes in interest rates, unexpected levels of default by obligors, increased default risk due to deflation, reduced present value of future payments due to inflation, and risk of unfavorable action by governmental bodies and the Federal Reserve in implementing their monetary policies. CIM does not intend to hedge any Fund's interest rate, inflation or deflation risks.
- The Funds purchase many of their assets through technology-driven Alternative Credit Providers. There are a limited number of these Alternative Credit Providers on which CIM may purchase assets, and the supply of such assets is limited. CIM must compete with other, often larger, investors for attractive assets to purchase. Decreases in the supply of investment opportunities or increases in CIM's assets under management may force CIM to invest in less attractive assets than it otherwise would.
- In investing through Alternative Credit Providers, CIM relies on the Alternative Credit Providers to verify the identity of obligors and their credit status. The Alternative Credit Providers' verification procedures may yield incorrect results and they may not be able to prevent fraud by obligors.
- The assets in which a Fund invests may represent only the right to receive payments received with respect to the underlying receivables. Such assets are not obligations of the underlying obligors, the applicable Alternative Credit Provider or any other party. Generally, such receivables are not (a) secured by any collateral or (b) guaranteed or insured by any governmental agency or instrumentality or any third party. For such

receivables, a Fund typically must rely on the applicable Alternative Credit Provider and its designated third-party collection agency to pursue collection against any obligor.

- Technology driven lending models are fairly new, and federal or state regulators may undertake to regulate them in ways that adversely affect the profitability of investing through them.
- CIM relies on proprietary technology that may be adversely affected by technological errors and intellectual property infringement, whether by or against CIM. CIM's technology may also be found to infringe a third party's intellectual property.
- Some of the Funds are likely to, directly or indirectly through the Alternative Investment Vehicles, provide credit facilities or revolving or term loans to Alternative Credit Providers or other obligors. The risks of direct financing include, in addition to the risks associated with investing in fixed-income assets generally as described herein, the heightened risks of lender liability or other claims against the Funds or the Alternative Investment Vehicles themselves, increased regulatory burden for the Funds or the Alternative Investment Vehicles to comply with applicable lending laws and obligations, costs and expenses of directly enforcing defaults or collecting collateral, and potential adverse tax consequences for investors in the Funds. Additionally, in the event of an obligor's bankruptcy and depending on the subordination of the credit facility or the financing arrangement, CIM may not receive all the receivables repayments, which may cause the Funds and their investors to lose some or all of their investments.
- CIM may not be able to obtain complete or accurate information about any receivable or other asset and may misinterpret the information that it does receive. CIM relies on information from the Alternative Credit Providers and any disruption in such information may adversely affect the Funds.
- CIM may, but typically does not expect to, engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. CIM is not obligated to hedge a client's portfolio positions, and it frequently does not do so.
- The Funds may have higher transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- CIM uses leverage. The Funds and the Alternative Investment Vehicles use leverage by borrowing capital to invest in assets. Each Fund's credit agreements with lenders contain various restrictions on how the Fund invests and where it holds its assets. Any violation of the credit agreements could result in the acceleration of the maturity date of the applicable loans and the seizure and liquidation of the Fund's direct and indirect assets pledged as collateral for those loans. Any such action could cause investors to lose some or all of their investment in the Fund. The Funds also may have exposure to leverage and risk of loss through investments on margin, derivatives or other investment techniques.

- Counterparties such as Alternative Credit Providers, custodians and administrators with which CIM does business on behalf of the Funds may default on their obligations. In the event of an Alternative Credit Provider's bankruptcy, various legal and administrative restrictions may limit or entirely prohibit CIM from receiving funds invested in the assets related to that Alternative Credit Provider, which may cause the Funds and their investors to lose some or all of their investments.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly and rapidly, resulting in volatile lending markets and large investment losses. The Funds may be adversely affected by such unforeseen events, which may be caused by, among other factors outside the control of CIM, political crises, military actions, terrorist attacks, natural disasters, public health issues (including viral outbreaks such as the COVID-19 coronavirus), changes in currency exchange rates or interest rates, forced redemptions of securities, regulatory intervention or general market conditions creating illiquidity or pricing anomalies or value impairment. Such downturns may lead to material losses for the Funds. Further, government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Investor sentiment on the "marketplace lending" sector, fixed-income investments generally or particular segments of those sectors is not predictable and can adversely affect the Funds' investments. Declines in the lending markets or market-wide increases in defaults may cause significant losses.
- CIM determines the value of each Fund's investments in good faith, whether or not a public market exists for such instruments. If CIM's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a Fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- A Fund, and not CIM, is generally responsible for any trade errors that CIM makes on behalf of that Fund, even when the error causes a loss to that Fund, unless such error results from CIM's or its affiliate's gross negligence, willful misconduct or fraud. Subject to such exceptions, (i) CIM and its affiliates and agents generally are not responsible to any investor for losses incurred in any Fund, and (ii) each Fund indemnifies CIM and its affiliates broadly for their activities on behalf of that Fund.
- Receivables and certain other instruments in which CIM invests are generally illiquid. CIM may be unable to generate cash necessary to satisfy withdrawals or any required distributions from its Funds, and substantial withdrawals in a short period could force CIM to liquidate investments too rapidly.
- There is not and will not be an active market for any Fund's interests. It may be impossible to transfer any such interests, even in an emergency. Further, CELF and the Colorado series of Fintech Strategies may limit or suspend withdrawals of an investor's

assets from CELF, and their general withdrawal provisions are very restrictive, as described in their respective offering documents.

- The Funds may establish reserves for contingencies if CIM considers it appropriate. Investors may not withdraw assets covered by that reserve until it is lifted.
- The Funds and their investors have not been represented by separate counsel. The attorneys who represent CIM or its manager do not represent the Funds or their investors. Investors must hire their own counsel for legal advice and representation.
- The Funds may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- The success of CIM's investment strategy depends, in part, on the skill and acumen of Jacob Haar in selecting each Fund's investments directly and in selecting other managers and other employees. If Mr. Haar should cease to participate in CIM's activities, its ability to select attractive investments and manage the Funds' portfolios could be impaired.
- CIM, the General Partner, the Funds' administrator or any government agency may freeze assets that any of them believes a Fund holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of CIM, the General Partner, the Funds or their administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- CELF and the Colorado series of Fintech Strategies do not intend to make distributions. Therefore, an investor is likely to have taxable income from those Funds without cash distributions to pay the related taxes.
- The business models employed by the Alternative Credit Providers in or through which the Funds directly and indirectly invest are fairly new, and their compliance with various aspects of regulatory regimes applicable to consumer or commercial credit transactions is untested. A federal or state regulator or private plaintiff could take a position that any such Alternative Credit Provider's activities (and perhaps any investors in it, such as the Funds) do not comply with applicable law, and any such action could adversely affect the Funds and their investors. Federal, state and international governments may increase regulation of investment advisers, private investment funds and lending activities, which may increase the time and resources that CIM must devote to regulatory compliance, to the detriment of investment activities.
- CIM is not registered as a finance lender or broker-dealer with any federal or state regulatory authority or, with the Commodity Futures Trading Commission as a commodity pool operator. The Funds' interests are not registered under the Securities Act of 1933, and the Funds are not registered investment companies under the Investment Company Act of 1940. CIM believes that none of these registrations is required. If a regulatory authority deems that any of these registrations is required, CIM and the Funds

could be subject to expensive legal action and potential termination. In addition, investors in the Funds do not have certain regulatory protection that they would have if these registrations were in place.

- The Funds' and the Alternative Investment Vehicles' activities and structures could cause adverse tax consequences to the Funds and their investors, including liability for interest and penalties and other tax liabilities.
- CIM's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- CIM and its affiliates may spend time on activities that compete with a Fund without accountability to that Fund, including investing for other Funds or clients and their own accounts. If CIM receives better compensation and other benefits from managing other assets or accounts compared to managing a particular Fund, it has incentive to allocate more time to those other activities. These factors could influence CIM not to make investments on a Fund's behalf even if such investments would benefit that Fund.
- CIM may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or clients.

The above is only a brief summary of some of the important risks that or an investor in a Fund may encounter.

Item 9. Disciplinary Information

This Item is not applicable, because CIM has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

As stated under Item 5, CIM's affiliate CIM GP LLC, serves as the general partner of the Funds, and its affiliate CIM EM is expected to serve as an investment adviser to additional funds. CIM and CIM EM file a single umbrella registration.

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

CIM and CIM EM have adopted a single Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for CIM's and CIM EM's supervised persons. The Code of Ethics includes general requirements that CIM's and CIM EM's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to CIM's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each

supervised person of CIM or CIM EM receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of CIM's and CIM EM's Code of Ethics by contacting compliance@cim-llc.com.

Under CIM's and CIM EM's Code of Ethics, except in specified limited circumstances, CIM, CIM EM and their managers, members, officers and employees generally need prior approval of CIM's Compliance Officer to invest in (a) IPOs or private placements (including interests in hedge funds, venture capital funds and private equity funds), (b) debt or equity securities in or originated through or issued by any lenders doing business with or within the investment mandate of CIM or CIM EM (such as OnDeck, Funding Circle and LendingClub), and (c) other securities specified on a restricted list that CIM maintains. CIM, CIM EM and their managers, members, officers and employees may, however, buy or sell other types of securities for their own accounts, even if those securities may be appropriate for the Funds. CIM or CIM EM may choose not to purchase those investments on behalf of the Funds even if those investments might be appropriate for it.

There may be conflicts of interest over CIM's or CIM EM's time devoted to managing its clients' accounts (including the Funds) and in selecting, negotiating and administering investments (and particularly in connection with liquidating investments). CIM and CIM EM make investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. CIM or CIM EM may give advice and take action with respect to any client that differs from the advice that it gives or the timing or nature of action that it takes with respect to any other client. CIM or CIM EM may buy or sell an Alternative Credit Asset for one type of client but not for another. Further, CIM or CIM EM may buy or sell an Alternative Credit Asset for one type of client while simultaneously selling or buying the same Alternative Credit Asset for another type of client. CIM and CIM EM currently do not expect significant overlap between investment opportunities appropriate for its existing clients (CELF and the Colorado series of Fintech Strategies). Generally, however, to the extent that an overlap may arise, the Colorado series of Fintech Strategies will be allocated an investment opportunity only after CELF has reached its maximum target allocation in that opportunity.

In addition, CELF has entered into various structured arrangements with, and made investments in, Alternative Credit Providers as well as the Alternative Credit Assets facilitated by those Alternative Credit Providers. These arrangements or investments include, without limitation, equity, preferred equity and other instruments that convert into equity, in the Alternative Credit Providers, traditional promissory notes or participations relating to particular underlying borrowers, and structured arrangements that provide "first loss" protection in the event of defaults of particular Alternative Credit Assets. CELF and CIM's other clients are likely to acquire additional investments similar to those described above in the future.

Some of CIM's or CIM EM's other clients (including Fintech Strategies) are likely to acquire Alternative Credit Assets that are facilitated by some of these Alternative Credit Providers, although they may not have "first loss" protections or other structured arrangements to which CELF and other clients are entitled. In that case, CIM's or CIM EM's clients' economic

interests may conflict. CIM and CIM EM will have an incentive to cause a client to make investments that protect or enhance the value of the Alternative Credit Providers to enhance the value of the CELF's or other clients' equity or debt interests in those Alternative Credit Providers or that protect the value of the Alternative Credit Assets facilitated by those Alternative Credit Providers. Also, CELF or other clients will benefit if an Alternative Credit Provider charges a client high servicing fees or if another client engages in a high volume of transactions, regardless of the quality of the Alternative Credit Assets that the Alternative Credit Provider issues or facilitates.

Item 12. Brokerage Practices

Most transactions for the Funds will not involve brokers or futures commission merchants. The Funds primarily invest, directly and indirectly through Alternative Investment Vehicles, in Alternative Credit Assets originated by various Alternative Credit Providers. CIM may not be able to control, and therefore cannot negotiate the commissions or other fees charged for such purchases, as there are a limited number of such Alternative Credit Providers.

With respect to investments made through brokers, CIM has complete discretion in selecting the broker or futures commission merchant that it uses for transactions and the commission rates that the Funds pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, CIM may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- willingness to commit capital;
- special execution capabilities;
- order of call;
- offering to CIM on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

CIM may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a "soft dollar" relationship):

- research reports, services and conferences, including third-party research fees;
- economic and market information;
- portfolio strategy advice;
- industry and company comments;
- technical data; consultations;
- periodical subscription fees;
- performance measurement data;
- on-line pricing; and

- news wire and data processing charges.

CIM may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to CIM.

CIM uses ZB, N.A. dba California Bank & Trust to receive each Fund's capital contributions, pay expenses and withdrawals, hold cash, cash equivalents and other short-term investments prior to making investments and to receive distributions with respect to those investments, and may retain other firms in the future. A Fund's obligations to its custodian and its affiliates will be secured by way of a first priority perfected security interest over all of that Fund's assets held in custody by them, and they may transfer to themselves all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for their own purposes. If any such transfer occurs, the Fund will rank as such custodian's (or affiliate's) unsecured creditor. If such custodian or affiliate becomes insolvent, the Fund may not be able to recover such equivalent securities in full. In addition, a Fund's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the Fund will therefore rank as an unsecured creditor in relation thereto.

If any of a Fund's investments are registered in the name of a custodian or affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments and if such custodian or affiliate becomes insolvent, that Fund may not be able to recover such equivalent investments in full.

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If CIM uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

CIM may pay to a custodian, broker or futures commission merchant fees, commissions and mark-ups that exceed those that another custodian, broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such custodian, broker or futures commission merchant provides. CIM determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or CIM's overall fiduciary duty to its clients. An account may, however, pay higher fees, commissions and mark-ups than are otherwise available or may pay more fees, commissions or mark-ups based on account trading activity. The research and other benefits resulting from CIM's brokerage relationships benefit CIM's operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct CIM to use a custodian, broker or

futures commission merchant that does not provide CIM with soft dollar services. CIM may not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate, although it currently manages only the Fund.

CIM's relationships with custodians, brokers and futures commission merchants that provide soft dollar services influence CIM's judgment and create conflicts of interest in allocating business between firms that provide soft dollar services and firms that do not. CIM has an incentive to select or recommend a custodian, broker or futures commission merchant based on CIM's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that CIM uses soft dollars to pay expenses it would otherwise be required to pay itself.

CIM addresses these conflicts of interest by annually evaluating the execution services that CIM receives. Such evaluation includes comparing current services to the services available from other custodians, brokers and futures commission merchants. CIM considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing custodians, brokers or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of fees and commission rates.

CIM may direct a certain amount of business to a custodian, broker or futures commission merchant in return for the custodian's, broker's or futures commission merchant's referral of prospective clients or investors. Directing business in exchange for client or investor referrals creates a conflict of interest in that CIM has an incentive to refer its clients' business to custodians, brokers and futures commission merchants to which it might not otherwise direct transactions.

Item 13. Review of Accounts

Jacob Haar, CIM's Managing Partner, reviews all accounts on a regular basis. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual Alternative Credit Assets, industry outlook, market outlook and price levels. Each investor in the Funds receive periodic statements (monthly for CELF and quarterly for the other Funds) with performance for the period and annual audited financial statements. Each Fund may change the content and frequency of its reporting or provide certain investors with more frequent updates.

Item 14. Client Referrals and Other Compensation

CIM engages solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and CIM complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

Not applicable.

Item 16. Investment Discretion

CIM has discretionary authority to manage each Fund pursuant to a grant of authority in the Fund's limited partnership agreement and an investment adviser agreement between that Fund and CIM. A Fund's investors may not place any limits on CIM's authority.

Item 17. Voting Client Securities

CIM does not anticipate investing in equity securities or any instruments whose issuers solicit proxies from investors. Prior to investing in any such instruments CIM will adopt appropriate proxy voting policies and procedures.

Item 18. Financial Information

This Item is not applicable, because CIM is not required to report financial information.

Item 19. Requirements for State-Registered Advisers

Not applicable.

Privacy Policy

CIM, the General Partner and the Funds: (a) collect non-public personal information about prospective investors from the following sources: information received from the subscription agreement or other forms and information about an investor's transactions with the Funds, its affiliates or others; (b) do not disclose any non-public personal information about prospective investors or investors to anyone, except as permitted by law; (c) restrict access to non-public personal information about prospective investors and investors to their employees who need to know that information to provide services to the Funds; and (d) maintain physical, electronic and procedural safeguards that comply with federal standards to guard such personal information.