



Marlin Manager, LLC

646 2nd Avenue S

Saint Petersburg, FL 33701

March 2021

This Brochure (the “**Brochure**”) provides information about the qualifications and business practices of Marlin Manager, LLC (“**Marlin**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact us by e-mail at [ADVBrochure@marlinmtg.com](mailto:ADVBrochure@marlinmtg.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. Registration as an investment advisor does not imply a certain level of skill or training.

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

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

---

**Item 2. Material Changes**

This Brochure has been amended to reflect Marlin Manager's current assets under management. There are no other material changes.

**TABLE OF CONTENTS**

<a href="#">Item 1. Cover Page</a> .....	1
<a href="#">Item 2. Material Changes</a> .....	
<a href="#">Item 3. Table of Contents</a> .....	3
<a href="#">Item 4. Advisory Business</a> .....	5
<a href="#">Item 5. Fees and Compensation</a> .....	8
<a href="#">Item 6. Performance-Based Fees and Side-by-Side Management</a> .....	14
<a href="#">Item 7. Types of Clients</a> .....	17
<a href="#">Item 8. Methods of Analysis, Investment Strategies and Risk of Loss</a> .....	19
<a href="#">Item 9. Disciplinary Information</a> .....	33
<a href="#">Item 10. Other Financial Industry Activities and Affiliations</a> .....	36
<a href="#">Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</a> .....	41
<a href="#">Item 12. Brokerage Practices</a> .....	46
<a href="#">Item 13. Review of Accounts</a> .....	56
<a href="#">Item 14. Client Referrals and Other Compensation</a> .....	58
<a href="#">Item 15. Custody</a> .....	61
<a href="#">Item 16. Investment Discretion</a> .....	63
<a href="#">Item 17. Voting Client Securities</a> .....	67
<a href="#">Item 18. Financial Information</a> .....	70
<a href="#">Item 19. Requirements for State-Registered Investment Managers</a> .....	72

#### Item 4. Advisory Business

Marlin Manager, LLC ("**Marlin**" or the "**Firm**") is a Delaware limited liability company formed on June 18, 2019. Marlin is wholly owned by Andrew T. Weber, the founder and CEO of Marlin. Marlin will offer advisory services to collective investment vehicles (each, a "**Fund**") and other clients (together with the Funds, collectively, the "**Clients**").

Marlin commenced operations with its initial Fund, Marlin JV IB, L.P., a Delaware limited partnership (the "**Partnership**") formed on September 24, 2020. Marlin JV IB GP, LLC, the general partner of the Partnership, is a Delaware limited liability company formed on September 23, 2020 (the "**General Partner**"). The General Partner will delegate the day-to-day management of the Partnership to Marlin, as investment manager. The General Partner is 100% owned by Andrew T. Weber, LLC, a Delaware limited liability company which is 100% owned by Andrew T. Weber.

The General Partner has formed the Partnership to serve as a collective investment vehicle for a specific investor, or a group of entities under common control, which such investor or group of entities (the "Limited Partners"; and, together with the General Partner, the "**Partners**") will hold the limited partnership interests in the Partnership.

The Partnership has been organized to be exempt from registration under the Investment Company Act of 1940, as amended, and the securities or interests of the Partnership are expected to be exempt from registration under the Securities Act of 1933, as amended. The documentation governing the Partnership, as well as each other Client relationship, is expected to include management agreements, private placement memoranda, and other client governing documentation, including side letters, as may be applicable (collectively, "**Client Documentation**"), which contains, among other things, detailed specifications and requirements regarding the types of investments, investment strategy and objective, and overall composition of a client portfolio and the Firm's role and authority. Investment guidelines for the Partnership are not tailored to the individual needs of any particular investor. Also, there is no restriction on Marlin's ability to enter into side letters or similar agreements ("**Side Letters**") with certain Fund investors that have the effect of establishing rights under or altering or supplementing the terms of Client Documentation with respect to the relevant Fund.

As of the date of this Brochure, Marlin has approximately \$100,000,000 in discretionary assets under management.

The Firm does not and does not expect to participate in wrap fee programs.

Subject to the applicable Client Documentation, Marlin will have the responsibility to advise the Clients, to manage and execute each Client's investment program, and to conduct certain administrative functions for each Client.

## Fees

Management Fee. The Partnership will not be subject to a management fee. The compensation of the Firm with respect to the Partnership will be covered by the Master Servicing Fee, as described below.

Although it does not currently receive any management fee compensation in connection with providing investment advisory services to the Partnership, Marlin expects to receive management fees from certain of its other Clients in accordance with the applicable Client Documentation.

Master Servicing Fee. Each MSR Purchaser (as defined below) may receive a monthly fee per current loan subserviced on its MSR clearing platform, applicable to all subservicing agreements, such amount equal to one dollar (\$1) per loan (a “**Master Servicing Fee**”). Such fee will be for the benefit of the equity holders of such MSR Purchaser, one of which is Marlin. A MSR Purchaser may also charge certain fees as outlined and described in the related Client Documentation.

Performance-Based Compensation. Although it does not currently receive any performance-based compensation in connection with providing investment advisory services to the Partnership, Marlin expects to receive incentive compensation from certain of its other Clients in accordance with the applicable Client Documentation.

Organizational Expenses. The Partnership will bear up to \$500,000 of its legal, accounting, filing and other fees, costs and expenses incurred in the formation of organization of the Partnership and the offering of its interests, and the formation and organization of certain subsidiary entities, which such fees or expenses are incurred on or prior to the first anniversary of the Partnership’s initial closing date.

Generally, Clients will bear all of their respective legal, accounting, filing and other fees, costs and expenses, and any other organizational expenses, incurred in connection with their structuring and formation, which are incurred on or prior to the first anniversary of the Initial Closing Date, as set forth in the applicable Client Documentation.

Operating Expenses. As described in the applicable Client Documentation, each Client will be responsible for all expenses related to its activities and operations and the activities and operations of its subsidiaries (including each MSR Purchaser, as applicable) that the General Partner or the Firm, as the case may be, determines in its good faith to be reasonable, including: (i) all costs and expenses related to evaluating, negotiating, making, monitoring, disposing of or otherwise dealing with proposed and/or actual investments (whether or not the Client actually makes an investment); (ii) taxes of the Client (but specifically excluding any federal, state, local or foreign withholding taxes and similar amounts withheld or deducted by a Fund attributable to a limited partner, member or other investor and deducted or withheld by the Fund under applicable law); (iii) fees of auditors, counsel and other advisors of the Client; (iv) insurance and litigation costs of the Client and its affiliates; (v) expenses associated with the distribution of reports and notices to Clients and the limited partners, members or other investors; (vi) brokerage commissions and other investment costs incurred by or on behalf of the Client; (vii) the expenses associated with the limited partner, member or other investor committee, if any, and the meetings of the limited partners, members or other investors, including an annual general meeting; (viii) debt service and other amounts payable under any financings of the Client; (ix) costs of winding-up the Client, as applicable; (x) indemnification expenses; and (xi) extraordinary expenses of the Client.

To the extent that the General Partner, the Firm, an MSR Purchaser or any of their affiliates create any goodwill or any tangible or intangible assets in connection with the performance or use of services charged to a Client (including, but not limited to, analytical or algorithmic computer programs and servicing brand recognition),

the General Partner, the Firm, such MSR Purchaser or their affiliates (as applicable), and not the Client, will have all rights and title to all tangible and intangible assets that each of them has created.

The General Partner, the Firm, or their respective affiliates, in their discretion, may from time to time pay for any of the foregoing organizational or operating expenses, or waive their right to reimbursement for any such expenses, as well as terminate any such voluntary payment or waiver of reimbursement. To the extent that the General Partner, the Firm, or their affiliates pays any such expenses on behalf of a Client, the General Partner, the Firm, or their affiliates will be entitled to receive any reimbursements to which such Client would have been entitled, whether or not such Client is still in existence.

*Expenses of the General Partner and the Firm.* The General Partner and the Firm will be responsible for their respective day-to-day expenses incidental to the administration of a Client and each MSR Purchaser, as described in the applicable Client Documentation, including: (i) all normal overhead expenses of the General Partner and the Firm; (ii) compensation of all employees of the Firm, each MSR Purchaser, or the General Partner; and (iii) licensing and subservicing oversight expenses of each MSR Purchaser. The General Partner and the Firm will also be responsible for overhead expenses of each Fund and each MSR Purchaser, to the extent that such expenses are incurred in connection with or otherwise allocable to employee functions compensated by the Firm or the General Partner.

---

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

The management of multiple Client accounts creates a conflict of interest because Marlin may have an incentive to favor one Client over another. Accordingly, Marlin has adopted and implemented policies and procedures intended to address conflicts of interest that arise relating to the management of multiple Clients. In particular, the Firm has adopted an allocation policy for the purpose of seeking to ensure that accounts with substantially similar investment objectives are treated fairly and equitably over time. See also Item 11 infra for additional details.

Although it does not currently receive any performance-based compensation in connection with providing investment advisory services to the Partnership, Marlin expects to receive incentive compensation from certain of its other Clients in accordance with the applicable Client Documentation.

---

**Item 7. Types of Clients**

The types of Clients that the Firm expects to serve are as described in Item 4. “*Advisory Business.*” Minimum investment amounts for the Clients are individually negotiated and set forth in the applicable Client Documentation.



---

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

Marlin provides investment advisory services to Clients on a discretionary basis according to the objectives and investment policies described in the applicable Client Documentation.

The investment objective of Marlin's initial Client, the Partnership, is to achieve capital appreciation while attempting to reduce risk primarily by applying a disciplined and diversified value investing philosophy. Marlin attempts to implement its investment objective primarily by gaining investment exposure to mortgage servicing rights ("**MSRs**") or similar assets, each of which represents a contractual right to service mortgage loans in return for payment of a servicing fee (the "**Servicing Fee**") for performing servicing activities, such as the calculation, collection and processing of mortgage loan payments and related mortgagor inquiries, making advances, and, with respect to delinquent mortgage loans, performing loss mitigation and foreclosure activities.

An MSR can be separated into two components: (a) "**Base MSR**," which represents the arm's-length reasonable compensation necessary to perform the obligations of the servicer along with such obligation to service, and (b) excess servicing spread ("**Excess MSR**"), which generally represents the difference between the Servicing Fee that the MSR holder is entitled to collect and the Base MSR. The Excess MSR may be financed separately from the Base MSR.

The owner of the Excess MSR will collect cash flows from the MSR but will not assume the servicing duties.

An entity must be licensed (or exempt) under U.S. state law to acquire MSRs. In addition, if an entity intends to own MSRs to service mortgage loans insured or guaranteed in whole or in part by the U.S. Department of Housing and Urban Development ("**HUD**"), the Federal National Mortgage Association ("**Fannie Mae**"), the Federal Home Loan Mortgage Corporation ("**Freddie Mac**") or the Government National Mortgage Association ("**Ginnie Mae**"; and, collectively with HUD, Fannie Mae and Freddie Mac, the "**Agencies**," and each, an "**Agency**"), it must receive the approval of the relevant Agency.

An affiliate of the Firm, Marlin Mortgage Capital, LLC ("**Marlin Capital**") (and such other entity affiliates of the Firm as may be determined in the Firm's reasonable discretion (each, an "**MSR Purchaser**"), is licensed, pending licensing, or exempt, by all states to hold MSRs. The Firm or its affiliates own a specific equity series of each MSR Purchaser (the "**Series I**"), providing the Investment Manager (or its affiliate) with the ability to control the day-to-day operations related to managing the MSRs to the standards of the Agencies. The Firm may also own one or more additional separate series of each MSR Purchaser, to be utilized to carry out the investment objectives of a Client. The specific assets owned by each Client are expected to be held in one or more separate equity series.

Marlin Capital, as an MSR Purchaser, is not an operating servicer. Marlin currently intends to cause each MSR Purchaser to contract with approved third-party subservicers to conduct the servicing activities for the underlying mortgage loans in exchange for a fee (the "**Subservicing Fee**"). Each applicable subservicer will receive the related Subservicing Fee from the MSR Purchaser out of collections on the related underlying mortgage loans, and the MSR Purchaser will be entitled to the difference between the Servicing Fee and the Subservicing Fee plus any ancillary income items negotiated in the related subservicing agreement. The Firm may hire qualified third-party advisers to help evaluate potential subservicers. Each of the Firm, each MSR Purchaser, and the General Partner, and their affiliates, may make an equity investment in an operating servicer, which such servicer may subservice the MSRs owned by a Client. Any such investment will be disclosed to the Client within thirty (30) days of such transaction.

The Partnership can acquire rights to reimbursement of servicer advances in connection with an investment in MSRs or independent of such investment. Servicer advances are a customary feature of residential mortgage securitization transactions. Servicer advances are generally reimbursable cash payments made by a servicer: (i) when the borrower fails to make scheduled payments of principal and interest due on a mortgage loan, (ii) on behalf of a borrower for real estate taxes and insurance premiums on the property that have not been paid on a timely basis by the borrower, and (iii) to third parties for the costs and expenses incurred in connection with the foreclosure,

preservation and sale of the mortgaged property, including attorneys' and other professional fees. The purpose of advances is to provide liquidity, rather than credit enhancement, to the underlying residential mortgage securitization transaction. Servicer advances are usually repaid from amounts received with respect to the related mortgage loan, including payments from the borrower or amounts received from the liquidation of the property securing the mortgage loan.

Residential mortgage servicing agreements generally require a servicer to make advances in respect of delinquent serviced mortgage loans unless the servicer determines in good faith that the advance would not be ultimately recoverable from the proceeds of the related mortgage loan or the mortgaged property. Accordingly, an MSR Purchaser may be required to make advances in respect of serviced mortgage loans related to its ownership of MSRs whether such amounts are ultimately recoverable or not, as defined by the underlying Agency servicing guidelines. To the extent that an MSR Purchaser is required to make such advances, the MSR Purchaser may: (i) use its own funds to make an advance, (ii) request that the Client provide sufficient funds to the MSR Purchaser to make such advance, or (iii) arrange to finance the related advance receivables either with a third party lender or the Client through a servicer advance facility or repurchase arrangement. In the event that an MSR Purchaser uses its own funds to make an advance, the MSR Purchaser may reimburse itself directly from the underlying mortgage loans in accordance with the servicing agreement or the MSR Purchaser may seek reimbursement from the Partnership for such advances. To the extent that the Client provides funds to make an advance, the Client shall be entitled to reimbursement for such advances. Such reimbursement amounts, to the extent recovered by an MSR Purchaser from the underlying mortgage loan, will be made to the Client in addition to its monthly distributions that would be made to the Partnership in respect of Base MSR.

As used herein, a "Portfolio Investment" means an investment or group of investments acquired, directly or indirectly, by a Client as part of a single portfolio or in a series of related transactions, as determined by Marlin (with the consent of the investor committee, if applicable). An investment, alone or together with others, may be designated or re-designated as one or multiple Portfolio Investments upon acquisition or at any time thereafter.

Portfolio Investments will generally include MSR assets, cash, and servicer advance receivables as described in the applicable Client Documentation. No other activity, such as hedging activity, will take place. Generally, the investment objective and strategy of each Client will be substantially similar to that set forth above.

#### **Risk Factors:**

There can be no assurance that the Firm's investment strategies will be successful, that Clients will achieve their investment objectives or that losses will not occur. Investing involves significant risks and is suitable only for persons who can bear the economic risk of the loss of their entire investment, have a limited need for liquidity in their investment and meet the conditions set forth in the applicable Client Documentation. Accordingly, Clients and investors should give careful consideration to the following risk factors in evaluating the merits and suitability of Marlin's strategies. The following should not be considered and does not purport to be a summary of all of the risks associated with Marlin's investment strategies. Rather the following are risks which the Firm reasonably believes to be material or unique relative to the particular investment strategies or methods the Firm employs. A description of risks relevant to a Client can be found in the applicable Client Documentation. Copies of such documents are available at no charge upon investor request. Investors should consult their own legal, tax and financial advisors, prior to making an investment in a Fund. An investment in a Fund is not a complete investment program.

#### **Risks related to Structure:**

**No Operating History.** Each Fund, and certain of its affiliates, consist of newly-formed entities, with no operating history. Investment programs should be evaluated on the basis that there can be no assurance that the Firm's or the General Partner's (or its affiliates', as applicable, in respect of certain entities other than the applicable Fund) assessment of the prospects of investments will prove accurate or that the Partnership will achieve its investment objective. A loss of some or all of an investment can occur.

**Reliance on the General Partner and Marlin.** The General Partner and Marlin will structure, negotiate, and purchase, engage financing, monitor and eventually divest investments made by Clients. Accordingly, Limited Partners and

investors will rely on the ability of the General Partner and Marlin to select and manage such investments. The loss of any key personnel of the General Partner or the Firm could have a significant adverse impact on the business of a Client. No assurances can be given that the key personnel of the General Partner or the Firm will continue to be affiliated with Marlin throughout its term.

*Effect of Fees and Expenses on Return.* Clients generally bear the expenses of investing, subject to the terms of the applicable Client Documentation. Fees and expenses of will generally be paid regardless of whether Clients experience positive returns. If the Firm does not generate significant positive returns for Clients, these fees and expenses could reduce the amount recovered by a Client to less than its original investment, and a loss will occur. In the case of the Partnership, each limited partner will generally bear its share of the expenses of the Partnership as set forth in Client Documentation.

*No Market; Illiquidity of Interests.* There is no, and is not expected to be any, recognized market for the interests in any Fund. Fund interests represent highly illiquid investments and should only be acquired by investors able to commit their funds for an indefinite period of time. Fund investors will not be permitted to withdraw from the Fund prior to its termination. Fund interests may be assigned or otherwise transferred only under limited circumstances as set forth in the applicable Client Documentation. Fund interests are not registered under U.S. federal or state securities laws and may not be resold unless they are subsequently registered or an exemption from such registration is available. Transfers of Interests are subject to the approval of the General Partner (which consent may be granted, denied or conditioned by the General Partner, in its sole discretion) and the satisfaction of certain other conditions. Prospective investors will be required to represent and agree that they are purchasing the Fund interests for their own account for investment only and not with a view to the resale or distribution thereof.

*Limited Private Offering; Absence of SEC or Other Securities Commission Review.* Each offering of interests in a Fund is a private offering and is not registered under the Securities Act or under any state securities laws or the securities laws of any other jurisdiction. Thus, the applicable Client Documentation has not been reviewed by the SEC or by the equivalent agency of any state or other jurisdiction.

*Consequences of Default.* If a limited partner, member or other investor in a Fund fails to pay in full any requested capital contributions, the General Partner may, in its sole and absolute discretion, choose any single one, or any combination, of the remedies set forth in the applicable Client Documentation. A default by one or more limited partners, members or other investors in a Fund could cause such Fund to lose investment opportunities or to be unable to pay its obligations when due.

*Early Termination of a Fund.* It is possible that a Fund may be dissolved and terminated prior to the expiration of its stated term, and as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time, resulting in a loss to limited partners, members or other investors in such Fund.

*Bankruptcy.* Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of a Client. A bankruptcy filing may have adverse and permanent effects on a property and the relevant Client. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where the Client, by virtue of such action is found to exercise "dominion and control" of a debtor, the Client can lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by the Client. The administrative costs in connection with a bankruptcy proceeding are frequently high and are be paid out of the debtor's estate prior to any return to creditors. Further, certain claims, such as claims for taxes, may have priority by law over the claims of certain creditors.

Generally, the duration of a bankruptcy case can only be roughly estimated. Unless a Client's claim in such case is secured by assets having a value in excess of such claim, no interest will be permitted to accrue and, therefore, the Client's return on investment can be adversely affected by the passage of time during which the plan of reorganization of the debtor is being negotiated, approved by the creditors, and confirmed by the bankruptcy court. The risk of delay is particularly acute when a creditor holds unsecured debt or when collateral value underlying

secured debt does not equal the amount of the secured claim. Under most circumstances, unless the debtor is proved to be solvent, no interest or fees are permitted to accrue after the commencement of the debtor's case. It should also be noted that reorganizations outside of bankruptcy are also subject to unpredictable and potentially lengthy delays.

*Absence of Recourse.* The governing documents of a Client (and of the other entities through which a Client can make its investments) will limit the circumstances under which the General Partner, any of its affiliates and their respective officers, directors, partners and employees can be held liable to the Client. As a result, a Client or an investor in a Client can have a limited right of action in certain cases than they would have in the absence of such a limitation.

*Leverage.* Utilization of leverage is a speculative investment technique and, to the extent permitted by Client Documentation will subject the Client to risks normally associated with debt financing, including the risk that cash flow from investments will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced or the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. While leverage may enhance total returns to the Client, it can also cause losses greater than would have occurred in the absence of leverage.

*Lack of Registration.* None of the Funds or its affiliates will be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and the interests of each Fund will not be registered under the Securities Act or any other securities laws in any jurisdiction. The Investment Company Act is designed to provide certain protections and impose certain restrictions on registered investment companies, none of which will be applicable to any Fund. If a Fund was required to register under the Investment Company Act, it would be unable to conduct its business as contemplated. In order for each Fund to rely upon an exemption from registration under the Investment Company Act, appropriate representations and undertakings will be obtained from the investors, and each Fund will seek to conduct business in a manner that will not subject the interests in such Fund to registration under the Securities Act

*Risk of the Series LLC Structure.* Each MSR Purchaser and certain of its affiliates are established as statutory series limited liability companies under the Delaware Limited Liability Company Act (the "Act"). As a matter of Delaware law only, the assets of a series are not available to meet the liabilities of any other series or the company. However, each MSR Purchaser and certain of its other affiliates organized as statutory series limited liability companies are single legal entities which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognize such separateness and, in such circumstances, there is a risk that the assets of a series may be applied to meet liabilities in respect of another series or the relevant company where the assets in such series or the company have been exhausted. No opinion is available, for example, under the Bankruptcy Code of the United States to the effect that the assets of one series might not be subject to the liabilities of another series or the relevant company. Each MSR Purchaser and certain of its other affiliates organized as statutory series limited liability companies intend that the assets of each series will be structured to comply with the Act and that such companies will be operated with the assets of each series segregated on the books and records of the company so that the assets of one series are not subject to the liabilities of any other series; however, there is no assurance that this structure and operation will be respected in all circumstances and in all jurisdictions.

*Cybersecurity.* As part of its business, Marlin and the General Partner process, store and transmit large amounts of electronic information, including information relating to the transactions of a Client and its affiliates and personally identifiable information of the investors. Similarly, service providers may process, store and transmit such information. Marlin and the General Partner have procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties may be susceptible to compromise, leading to a breach of the network. Systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by Firm or the General Partner or their service providers may also be susceptible to compromise. Breach of Client's information systems

may cause information relating to the investment transactions and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of Marlin, the General Partner and Clients are subject to the same electronic information security threats. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Client and its affiliates and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

**Risk Factors Related to Investing:**

Termination of the Agency Contract will Result in Termination of the Related MSR's. The extinguishment of the MSR Purchaser as servicer under the applicable agency contract may have the same effect as a prepayment of all mortgage loans subject to such agent contract and the applicable acknowledgment agreement. Additionally, such termination will mean that there will be no further distributions related to the MSR's. In any such event, a Client would likely fail to recoup all or a portion of the purchase price paid for their interest in the related MSR's.

Failure by Subservicer to Comply with the Terms of the Agency Contract may Result in the Termination of the Servicer under the Agency Contract. The MSR Purchaser conducts the servicing of the mortgage loans related to the pledged MSR's through one or more subservicers pursuant to subservicing agreements. Consequently, the compliance of the MSR Purchaser, as servicer, with the terms of the applicable agency contract is largely dependent on the relevant subservicer. There can be no assurances that any subservicer: (a) has or will continue to maintain adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans in accordance with accepted servicing practices, or (b) will comply with all terms, provisions, covenants and other promises required to be observed by it or Servicer under the applicable Agency Contract, including with respect to the management of collections received from the related borrowers. Clients should be aware that the MSR Purchaser, as servicer, will be liable for compliance by a subservicer with the applicable Agency guide with respect to the servicing of the mortgage loans, and any breach of the applicable agency guide by a subservicer may increase the obligations of the MSR Purchaser as servicer under the applicable agency contract with respect to collections received by such subservicer and may cause the extinguishment of the MSR Purchaser as servicer under the applicable Agency Contract.

The Agencies have Extensive Rights that are Senior to the Limited Partners and the Agencies may Extinguish the MSR Purchaser as Servicer, which may Result in Losses. The Client's indirect security interest in the MSR's will be subject and subordinate to all rights, remedies, powers, and prerogatives of the Agencies under the applicable agency contract and the applicable acknowledgment agreement, which include, without limitation, the right of the Agency to effect and complete the extinguishment of any redemption, equitable, legal or other right, title or interest of the MSR Purchaser as servicer in the MSR's or the related mortgage loans. If an Agency extinguishes the MSR Purchaser's redemption, equitable, legal or other right, title or interest in the mortgage loans in accordance with the applicable agency contract and the applicable acknowledgment agreement, the security interest instantly and automatically will be extinguished as well.

Involuntary Borrower Prepayment. Involuntary prepayment or delinquency or default rates on the underlying mortgage loans may be faster than anticipated. Such prepayment may adversely impact the investment returns to Clients or result in a failure of a Client to recoup their investments. Borrower default and delinquency may result from, among other reasons, a future decline of housing prices, which reduce a borrower's incentive to retain equity in the property securing the loan, and an increase in the unemployment rate.

The Agency Guides may be Modified without the Consent of the Parties, which Modifications may be Materially Adverse to the Limited Partners. The Agency guides may be modified from time to time without the consent of any of the parties to the transactions contemplated hereby. Such modifications could adversely affect the terms of servicing, the likelihood of extinguishment of the MSR Purchaser as an approved seller/servicer or issuer, as applicable, or otherwise adversely affect the value of the investment.

**Risk Factors Related to Market Conditions:**

*The COVID-19 Outbreak and Governmental Measures Related Thereto Adversely Affect the Potential Performance and Market Value of the Investments.* There has been a widespread outbreak of a novel coronavirus disease (COVID-19) in the United States (the “**COVID-19 Outbreak**”). The COVID-19 Outbreak has been declared to be a pandemic by the World Health Organization, and on March 13, 2020, President Trump declared a national emergency in the United States. The COVID-19 Outbreak (and any future outbreaks of coronavirus or similar disease) has led (and may continue to lead) to a significant disruption in the economy of the United States and the economies of other nations suffering the COVID-19 Outbreak. In certain cities and states, the COVID-19 Outbreak has caused a near total cessation of all non-essential economic activities. Many businesses have moved to a remote working environment, temporarily suspended operations, laid-off a significant percentage of their workforce or shut down completely. It is generally expected that the COVID-19 Outbreak will worsen substantially before it improves, and that the entirety of the United States will ultimately be impacted. The COVID-19 Outbreak has caused substantial disruption and volatility in the credit markets, unprecedented unemployment in the United States in the modern era and a significant economic recession globally, all of which may continue for an extended period or indefinitely and may adversely affect the performance and/or value of the Investments.

The Federal Reserve System (the “**Federal Reserve**”), which initially cut its benchmark rate by 50 basis points in response to the COVID-19 Outbreak, recently cut its benchmark rate by an additional 100 basis points, bringing the rate to near zero and initiated a substantial quantitative easing program to address volatility in the capital markets. The reduction in the benchmark interest rate by the Federal Reserve may lead to increased refinancings and prepayments on mortgage loans by borrowers that are able to do so. In addition, it is possible that the Federal Reserve may in the future resume interest rate increases and that any such increases may occur at a faster rate than expected. To the extent that interest rates increase as a result of the Federal Reserve actions or otherwise, the availability of refinancing alternatives for the mortgage loans may be reduced, leading to delinquencies and defaults on the mortgage loans.

During March, the U.S. Congress enacted three separate legislative responses to the COVID-19 Outbreak, providing relief to states, businesses, families, and individuals. In addition, on August 8, 2020 President Trump issued an “Executive Order on Fighting the Spread of COVID-19 by Providing Assistance to Renters and Homeowners,” which directed the Secretary of Health and Human Services, the Director of the Center for Disease Control, the Secretary of the Treasury and the Federal Housing Finance Agency (“**FHFA**”) to investigate ways that the spread of COVID-19 can be diminished through the cessation of evictions and foreclosures. It is unclear what new governmental actions, if any, may arise from this Executive Order. On September 1, 2020, the Centers for Disease Control and Prevention implemented a temporary eviction moratorium for rental units through the end of the year. This moratorium will apply to all rental units nationwide until December 31, 2020 and went into effect immediately. The previous federal eviction moratorium created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act ended in late July and only applied to federally funded housing. This moratorium will apply to any state in which there is not already a more protective ban in effect. A renter will be eligible for the moratorium’s protection if they received an economic impact payment, or stimulus check, as provided for by the CARES Act. This moratorium could adversely impact the cashflow on the mortgage loans and therefore the performance of the Partnership.

It is highly likely that the COVID-19 Outbreak will result in mortgagors with mortgage loans becoming ill, losing their jobs or experiencing a reduction in wages. Mortgagors may also prioritize payment obligations other than their mortgage loans if they experience, or anticipate experiencing, a loss in wages, a job loss or other unexpected increase in expenses. For the month of April 2020, approximately 20.5 million jobs were reported lost in the United States but approximately 2.5 million, 4.8 million and 1.8 million jobs were gained in May, June and July 2020, respectively. It is unclear as to whether unemployment claims will increase due to the COVID-19 Outbreak, especially as states and localities scale back reopening efforts (particularly in states in the southern and western United States that moved to reopen before states in the northern United States). As a result of the COVID-19 Outbreak, it is likely that delinquencies and losses on the mortgage loans will increase, and such increase could be substantial. Consequently, distributions by the Partnership could be adversely affected. It is impossible to predict the effect of the COVID-19 Outbreak on the mortgage markets generally, or on the value or performance of the mortgage loans or the Partnership.

Furthermore, mortgagors in the underlying mortgage pool may have contacted or in the future could contact the MSR Purchaser as servicer indicating financial distress as a result of the COVID-19 Outbreak and/or request relief

which could increase the number of mortgagors in the pool who receive forbearance or other loss mitigation options due to the COVID-19 Outbreak.

There can be no assurance that any measures undertaken by the federal government, or by state or local governments, will be effective to mitigate the negative near-term and potentially longer-term impact of the COVID-19 Outbreak on consumer credit performance, property values, the mortgage origination and housing industry and related service providers, and the U.S. and global economies more generally. There is little certainty as to when the COVID-19 Outbreak will abate, and to what extent the United States economy will recover from the disruption caused by the COVID-19 Outbreak.

In addition, in connection with all the circumstances described above, Clients and investors should be aware that losses can occur and in particular that:

- such circumstances may result in substantial delinquencies and defaults on the mortgage loans and adversely affect the amount and timing of liquidation proceeds that the MSR Purchaser as servicer would realize in the event of foreclosures and liquidations;
- defaults on the mortgage loans may occur in large concentrations over a period of time and may occur in specific geographic concentrations, which might result in rapid declines in the value of Client investments;
- the values of the related mortgaged properties have potentially declined since the mortgage loans were originated and can decline further and such declines may be substantial and occur in a relatively short period, and such declines may occur for reasons largely unrelated to the circumstances of the particular mortgaged property;
- such circumstances can result in substantial delinquencies on the mortgage loans, which may become the subject of forbearance or other modifications, including reductions in the principal balance of the mortgage loans;
- if the mortgage loans default, then the yield on an investment could be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest; and
- the time periods to resolve defaulted mortgage loans may be long, and those periods may be further extended because of mortgagor bankruptcies, related litigation and any federal and state legislative, regulatory and/or administrative actions or investigations.

*Turbulence in the Financial Markets, the Mortgage Market and the Economy may Adversely Affect the Performance and Market Value of the Investments, and These Conditions may not Improve.* The global economy experienced a significant recession from 2007 to 2009, as well as a severe disruption in the credit markets, including the general absence of investor demand for and purchases of residential mortgage related securities and other structured finance products. Although the U.S. economy has emerged from this recession, the recovery may not be as vigorous as historical norms. Continued concerns about economic conditions in the United States and Europe generally have contributed to increased market volatility. In addition, on June 23, 2016, the United Kingdom (“**UK**”) voted by referendum (the “**Brexit Vote**”) to withdraw from the European Union (the “**EU**”).

On January 31, 2020, the UK exited the EU (“**Brexit**”). Pursuant to the UK-EU agreement on the UK’s withdrawal from the EU (the “**Withdrawal Agreement**”), a transition period has been agreed which extends the application of EU law, and provides for the UK’s continuing access to the EU single market until at least December 31, 2020. During the transition period, the UK and the EU are expected to negotiate the terms of their future relations in respect of trade and other areas that are currently regulated by EU law. There are a number of areas of uncertainty in connection with the future relationship of the UK and the EU and related matters, which may not be resolved during the transition period and may take several years. This uncertainty may give rise to financial instability and slower economic growth, in the UK, across Europe and elsewhere, and could contribute to uncertainty and instability in global financial markets. Additionally, Brexit could significantly impact volatility, liquidity and/or the

market value of securities. investments in a Fund should only be made by investors who fully understand such risks and are capable of bearing such risks.

Particular uncertainty persists regarding the prospects for growth in the United States economy, and a number of factors have contributed to this uncertainty, including underemployment, rising government debt levels, prospective Federal Reserve policy shifts, the withdrawal of government interventions into the financial markets, changing United States consumer spending patterns, pending regulations (including with respect to asset-backed securitization), and changing expectations for inflation and deflation.

*Recent Developments Related to the Regulation of Servicers may Adversely Affect the Performance, Repayment or Market Value of the Investments.* Disruptions in the global financial markets in recent years have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an expedited basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions often have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

*The Dodd-Frank Act.* On July 21, 2010, President Obama signed into law the Dodd-Frank Act which created several new regulatory bodies and which imposes significant new regulations on the securitization markets. The Dodd Frank Act requires numerous new regulations, many of them focused on the financial services industry, and requires the agencies regulating the financial services industry also to periodically adopt changes to their regulations and supervisory guidance and practices. The Dodd-Frank Act also requires new regulations related to asset-backed securities, as described in more detail below. The Dodd-Frank Act created several new regulatory bodies, including the Bureau of Consumer Financial Protection (the "**BCFP**") that regulates consumer financial services and products. The BCFP has sole rulemaking and interpretive authority under existing and future consumer financial services laws and supervisory, examination and enforcement authority over certain institutions, including mortgage servicers. Certain mortgage servicing rules implemented by the BCFP ("**BCFP Servicing Rules**"), which became effective on January 10, 2014, require new disclosures and notices from servicers to borrowers, new practices and timing requirements for crediting consumer payments, uniform practices and timing requirements for acknowledging, investigating and responding to borrowers' inquiries, new information management policies and procedures, new early intervention practices by servicers for troubled or delinquent borrowers and new communication rules requiring servicers to provide direct and continuous access to staff, among other items. In particular, the BCFP Servicing Rules restrict "dual tracking," in which a servicer evaluates a mortgagor for a loan modification or other loss mitigation alternatives at the same time that it prepares to foreclose on the mortgaged property. Specifically, the BCFP Servicing Rules prohibit a servicer from making the first notice or filing required to commence the foreclosure process until the mortgagor is more than 120 days delinquent. Even if a mortgagor is more than 120 days delinquent, if the mortgagor submits a complete application for a loss mitigation option before a servicer has made the first notice or filing required for a foreclosure process, the servicer may not start the foreclosure process unless (i) the servicer informs the mortgagor that the mortgagor is not eligible for any loss mitigation option (and any appeal in respect thereof has been exhausted), (ii) the mortgagor rejects all loss mitigation offers, or (iii) the mortgagor fails to comply with the terms of a loss mitigation option such as a trial modification. If a mortgagor submits a complete application for a loss mitigation option after the foreclosure process has commenced but more than thirty-seven (37) days before a foreclosure sale, the servicer may not move for a foreclosure judgment or order of sale, or conduct a foreclosure sale, until one of the same three conditions has been satisfied. In all of these situations, the servicer is responsible for promptly instructing foreclosure counsel retained by the servicer not to proceed with filing for foreclosure judgment or order of sale, or to conduct a foreclosure sale, as applicable. In August 2016, the BCFP adopted certain amendments to these rules, the majority of which took effect in 2017, designed to expand protections for struggling homeowners. These amendments impact the manner in which servicers are required to communicate with borrowers who have applied for loss mitigation, provide additional protections for successors in interest and require additional disclosures to borrowers in bankruptcy. Thus, these changes to the BCFP Servicing Rules could further impact the cost of servicing residential mortgage loans like the mortgage loans and impact the collateral value.

*Increased Defaults and Delinquencies Increase Servicing Costs.* The costs of servicing portfolios of delinquent mortgage loans have been rising in recent years without a corresponding increase in servicing compensation. Executive initiatives such as the Home Affordable Modification Program (the "HAMP"), which is a part of the U.S.



government's broader Home Affordability and Stability Plan, encourages loan modifications for borrowers under loans that are either already in default or are at risk of imminent default. The HAMP requires participating servicers, such as the MSR Purchaser, to evaluate on a loan-by-loan basis whether a modification, the terms of which are established to achieve a desired debt-to-income ratio, would yield greater expected cash flow (using net present value analysis) than if the mortgage loan was permitted to be foreclosed upon. This program, as well as proposed legislation and/or governmental intervention designed to protect consumers, may have an adverse impact on servicers, by increasing costs and expenses of servicers while at the same time decreasing servicing cash flows adversely affecting collateral value. These increased costs and the reduction in collateral value due to the delinquencies create financial pressures that may have a negative effect on the servicers to perform according to the Agency requirements.

### **Risk Factors Associated with Regulation and Supervision of the Servicer:**

*Supervision and Enforcement.* Because none of the MSR Purchasers or its affiliates (collectively, the “**Marlin Companies**”) is a depository institution, the Marlin Companies generally do not benefit from federal preemption of state mortgage lending, loan servicing or debt collection licensing and regulatory requirements. Accordingly, the Marlin Companies must comply with state licensing requirements in all of the states in which Marlin conducts business. The Marlin Companies are licensed as a loan servicer and loan broker in certain states and jurisdictions in which such licenses are required. The Marlin Companies are also subject to an extensive framework of state laws in the jurisdictions in which the Marlin Companies do business, and to periodic audits and examinations conducted by the state regulators to ensure compliance with those laws. From time to time, the Marlin Companies receive requests from state regulators and other agencies for records, documents and information regarding its policies, procedures and practices related to its loan origination, loan facilitation, loan servicing and debt collection operations. State attorneys general, state licensing regulators, and state and local consumer protection offices have authority to investigate consumer complaints and to commence investigations and other formal and informal proceedings regarding Marlin's operations and activities. Responding to such requests requires the Marlin Companies to dedicate resources and can cause a distraction to its investment activities and operations.

The Marlin Companies are also subject to supervision and enforcement activity by federal government entities. Under the Dodd-Frank Act, the BCFP was established in 2011 to ensure, among other things, that consumers receive clear and accurate disclosures regarding financial products and to protect consumers from hidden fees and unfair, deceptive or abusive acts or practices. The BCFP has broad supervisory and enforcement powers with regard to nonbanking companies, such as the Marlin Companies, that engage in the origination and servicing of home loans and personal loans. As an approved originator and servicer of loans that are guaranteed by the Federal Housing Administration (“**FHA**”) and the U.S. States Department of Veterans Affairs (the “**VA**”) and loans that are sold to Fannie Mae and Freddie Mac, the Marlin Companies' operations also may be reviewed by these, and other, entities with whom it does business. Marlin is also subject to oversight by the Federal Trade Commission, HUD and FHFA.

*Federal, State and Local Regulation.* The Marlin Companies' business is highly regulated. Regulatory and legal requirements are subject to change and may become more restrictive, making its compliance more complex or expensive or otherwise restricting its ability to conduct business as it is now conducted. Changes in these regulatory and legal requirements, including changes in their enforcement, could materially and adversely affect the Marlin Companies' business and financial condition, liquidity and results of operations. The Marlin Companies are subject to extensive federal laws and regulations as well as to numerous state-specific laws and regulations. The Marlin Companies are also subject to judicial and administrative decisions that impose requirements and restrictions on its business.

The U.S. federal, state and local laws, rules and regulations to which the Marlin Companies are subject, among other things:

- limit certain practices related to loan officer compensation;
- impose licensing obligations and financial requirements on the Marlin Companies;

- limit the interest rates, finance charges and other fees that the Marlin Companies may charge or pay;
- regulate the use of credit reports and the reporting of credit information;
- impose underwriting requirements;
- mandate disclosures and notices to consumers;
- mandate maintenance and retention of loan records;
- mandate the collection and reporting of statistical data regarding applications for, originations of and purchases of mortgage loans;
- regulate any direct consumer marketing techniques and practices;
- require the Marlin Companies to safeguard non-public information about its customers and regulate the sharing of such non-public personal information with third parties and affiliates;
- regulate the Marlin Companies servicing practices, including but not limited to collection and foreclosure practices, the manner and timing for responding to consumer complaints, and the administration of escrow accounts;
- require the Marlin Companies to take precautions against money-laundering and doing business with certain government-designated parties, such as suspected terrorists and parties engaged in narcotics trafficking;
- regulate the method by which appraisals are ordered and reviewed and the Marlin Companies' interaction with appraisers; and
- mandate the terms and conditions under which Marlin must offer and approve loan modification programs for its servicing customers.

In particular, the Marlin Companies are required to comply with:

- Title V of the Gramm-Leach-Bliley Act ("**GLBA**") and Regulation P, which requires initial and periodic communication with consumers on privacy matters and the maintenance of privacy regarding certain consumer data in Marlin's possession;
- the Fair Debt Collection Practices Act ("**FDCPA**"), which regulates the timing and content of communications on debt collections;
- the TILA and Regulation Z, which, in conjunction with the RESPA under the TILA-RESPA Integrated Disclosure ("**TRID**") Rule, requires certain disclosures be made to mortgagors regarding terms of mortgage financing, including but not limited to information designed to promote consumer understanding of the cost of a loan, expressed in terms of an annual percentage rate, and other credit terms including the disclosure of the number, amount and due dates or periods of scheduled repayments; TILA and Regulation Z also include the rules on loan officer compensation, require special disclosures and treatment for certain high-cost loans, require certain disclosures in connection with the servicing, assumption or refinancing of mortgage loans, provide for consumers' right to rescind loans under certain circumstances, contain rules with respect to the ordering and review of appraisals and interaction with appraisers, and provide rules requiring a determination of the consumer's ability to repay certain mortgage loans and providing either a safe harbor or rebuttable presumption of compliance for certain qualified mortgage loans;

- the Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act (the “**FCRA**”), and Regulation V, which collectively regulate the use and reporting of information related to the credit history of consumers and provides a national legal standard for lenders in sharing information with affiliates and certain third parties and in providing firm offers of credit to consumers;
- the Equal Credit Opportunity Act and Regulation B, which prohibit discrimination on the basis of age, race and certain other characteristics in the extension of credit and requires that in certain circumstances, creditors provide appraisal-related disclosures and copies of appraisals to borrowers;
- the Homeowners Protection Act, which requires the cancellation of mortgage insurance once certain equity levels are reached;
- the Home Mortgage Disclosure Act and Regulation C, which require public reporting of certain loan data;
- the Fair Housing Act, which prohibits discrimination in housing on the basis of race, sex, national origin, and certain other characteristics;
- the Servicemembers Civil Relief Act, which provides certain legal protections and relief to members of the military;
- RESPA and Regulation X, which governs the actions of servicers related to escrow accounts, transfers, and other customer communications, and prohibits certain practices, such as giving or accepting a fee, kickback, or anything of value in exchange for referrals of settlement service business;
- Regulation AB under the Securities Act, which requires registration, reporting and disclosure for mortgage-backed securities;
- the Secure and Fair Enforcement for Mortgage Licensing Act, commonly known as the SAFE Act, which is designed to enhance consumer protection and reduce fraud by requiring states to establish minimum standards for the licensing and registration of state licensed mortgage loan originators;
- the Telephone Consumer Protection Act, which prohibits telemarketers, banks, debt collectors, and other companies from using an automatic dialer or robocalls to call people either at home or on their cell phones without their consent;
- Dodd-Frank Act provisions prohibiting unfair, deceptive or abusive acts or practices; and
- certain other provisions of the Dodd-Frank Act, which, as discussed elsewhere, is extensive in scope and authorizes the BCFP to engage in rulemaking activity and to enforce compliance with federal consumer financial laws, including TILA, RESPA, and the FDCPA.

In addition, various federal, state and local laws have been enacted that are designed to discourage predatory lending and servicing practices. The Home Ownership and Equity Protection Act of 1994 (“**HOEPA**”), which amended TILA, in particular, prohibits inclusion of certain provisions in residential loans that have mortgage rates or origination costs in excess of prescribed levels and requires that borrowers be given certain disclosures prior to origination. The Dodd-Frank Act amended HOEPA to enhance its protections. Some states have enacted, or may enact, similar laws or regulations, which in some cases impose restrictions and requirements greater than those in HOEPA. Also, under the anti-predatory lending laws of some states, the origination of certain residential loans, including loans that are not classified as “high cost” loans under applicable law, must satisfy a net tangible benefits test with respect to the related borrower. This test may be highly subjective and open to interpretation. As a result, a court may determine that a residential loan, for example, does not meet the test even if the related originator reasonably believed that the test was satisfied. Failure of residential loan originators or servicers to comply with these laws, to the extent any of their residential loans are or become part of Marlin’s mortgaged-related assets, could subject Marlin, as a servicer or as an assignee or purchaser, in the case of acquired loans, to monetary penalties and could result in the borrowers rescinding the affected residential loans. Lawsuits have

been brought in various states making claims against originators, servicers, assignees and purchasers of high cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market. If the Marlin Companies' loans are found to have been originated in violation of predatory or abusive lending laws, the Marlin Companies could incur losses, which could materially and adversely impact its results of operations, financial condition and business.

The Marlin Companies are subject to compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (commonly known as the PATRIOT Act), which is intended to strengthen the ability of U.S. law enforcement agencies and intelligence communities to work together to combat terrorism on a variety of fronts, and are required to establish anti-money laundering programs and file suspicious activity reports under the Bank Secrecy Act of 1970.

Some states have special rules that govern mortgage loan servicing practices, such as California's Homeowner's Bill of Rights. Failure to comply with these rules can result in delays or rescission of foreclosure and subject the servicer to penalties and damages.

*Other Laws.* The Marlin Companies are subject to various other laws, including employment laws related to hiring practices and termination of employees, health and safety laws, environmental laws and other federal, state and local laws in the jurisdictions in which it operates.

*Risk Management Failures.* Although the Firm attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective or can accurately or fully anticipate future risks. Any inadequacy or failure in risk management efforts could result in material losses to Clients.

*Valuation of Portfolio Holdings.* There are various conflicts of interest in connection with the valuation of Client investments. Inflated valuations may result in better performance which may assist in marketing for the Firm. Conflicts of interest may be heightened in the case of investments that do not have readily ascertainable market values. To address these conflicts, Marlin has adopted and implemented policies and procedures for the valuation of Client investments, including the use of third-party valuation services and, subject to the applicable Client Documentation, the oversight of an investor committee.

#### **Risks related to Conflicts of Interest:**

Clients should be aware that there will be occasions when Marlin and their affiliates, may encounter potential conflicts of interest in connection with its activities on behalf of Clients. In particular, Client Documentation contains provisions that, subject to applicable law, reduce or modify the duties, including fiduciary and other duties, to Clients and investors to which the Firm and their affiliates would otherwise be subject, provisions that waive or consent to conduct on the part of the Firm, and its affiliates, that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of Clients, with respect to breaches of such duties. If any matter arises that the Firm determines in its good faith judgment constitutes an actual conflict of interest, Marlin may take such actions as may be necessary or appropriate, within the context of Client Documentation, to ameliorate the conflict (and upon taking such actions Marlin will be relieved of any responsibility for such conflict). By entering into Client Documentation, Clients and investors are deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest. There is no assurance that any conflicts of interest will be resolved in the favor of a particular Client.

*Other Activities of Management.* Each of the General Partner and the Firm will devote such time as shall be reasonably necessary to conduct the activities and operations with respect to the Client in an appropriate manner. The General Partner and Marlin will work on other projects, and, therefore, conflicts may arise in the allocation of management resources. Marlin, the General Partner and their affiliates may from time to time act

as manager, investment adviser, general partner, managing member, trustee, custodian, sub-custodian, registrar, broker, administrator or dealer in relation to, or be otherwise involved with other Clients, including other Funds and accounts, including those that follow a substantially similar investment program.

**Additional Potential Conflicts.** The officers, directors, members, managers, and employees of the General Partner and Marlin (and their affiliates) can trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or otherwise determined from time to time by the General Partner or Marlin, as applicable.

### **Risks related to Tax:**

**General Tax Considerations.** Certain Funds are expected to be treated as a partnership for United States federal income tax purposes. Each limited partner, in determining its U.S. federal income tax liability, will take into account its allocable share of items of income, gain, loss, deduction and credit of the Fund, without regard to whether it has received distributions from the Fund. Accordingly, a limited partner's tax liability attributable to its allowable share of the Fund's income could exceed the cash distributions from the Fund in any year, and in such case, the limited partner would have to satisfy such tax liability from other sources. Under U.S. federal income tax rules for auditing partnerships, adjustments are determined at the partnership level and taxes on any adjustments are payable by the partnership absent an applicable election otherwise on behalf of the partnership. These rules may result in a partner bearing taxes paid with respect to income that otherwise might have been allocable to another partner or former partner. As is generally the case for similar fund investments, an investment in the Fund will give rise to a variety of complex U.S. federal income tax and other tax issues for limited partners. Prospective investors are urged to consult their own tax advisers regarding their specific tax situations, including any applicable U.S. federal, state, local and non-U.S. taxes.

**Taxation of MSRs.** Pursuant to U.S. Internal Revenue Service (the "IRS") guidance, mortgage interest payments received by a servicer pursuant to a mortgage servicing contract in excess of the amount allowable for "normal servicing" activities of the servicer (*i.e.*, "**excess servicing**") are treated as payments with respect to "stripped coupons" received directly from the mortgage loan borrower. This IRS guidance further states that a servicer's receipt of mortgage interest payments representing reasonable compensation for services rendered pursuant to the mortgage servicing contract are treated as compensation payments made by the mortgage loan owner. Each MSR Purchaser has received certain advice supporting its position that the amounts it has received under the mortgage servicing contract and designated as "normal servicing" represent reasonable compensation for the services required to be performed under the mortgage servicing contract. Accordingly, each MSR Purchaser intends to treat all amounts from the mortgage servicing contract it receives in excess of this designated "normal servicing" amount consistent with prior IRS guidance as payments on "stripped coupons" received from the underlying mortgage loan borrowers. However, legal opinions and other advice received by an MSR Purchaser is not binding on the IRS, and the IRS could characterize a portion of the amounts designated as "excess servicing" as representing reasonable compensation for services rendered under the mortgage servicing contract. Further, the issuance of any debt or equity directly or indirectly supported by interests beneficially entitled to amounts with respect to the "excess servicing" component of the mortgage servicing contract could potentially cause an MSR Purchaser, a Client or their respective affiliates to be treated as subject to tax as a corporation for U.S. federal income tax purposes. Any such potential recharacterization of designated "excess servicing" amounts by the IRS or the issuance of additional debt or equity secured by the "excess servicing" component could have adverse tax consequences for non-U.S. investors holding a direct or indirect beneficial interest in such "excess servicing" component, could impose additional entity-level taxes on an MSR Purchaser, a Client, their respective affiliates, and could require an MSR Purchaser or its affiliates to withhold additional tax on amounts payable to direct or indirect non-U.S. investors holding direct or indirect beneficial rights with respect to such "excess servicing" entitlements. Neither an MSR Purchaser nor any of its affiliates will be required to indemnify or otherwise "gross-up" any investor for any additional taxes or withholdings imposed on the assets of or payments made by an MSR Purchaser, a Client or their respective affiliates.

**Local Taxes.** Prospective investors should consider the potential local tax consequences of an investment in a Fund. In addition to being taxed in its own locality of residence, a limited partner may be subject to tax return

filing obligations and income, franchise and other taxes in jurisdictions in which the Fund (or any entity in which the Fund invests) operates.

*Changes to Tax Laws.* All statements contained herein concerning the U.S. federal income tax consequences are based upon existing law and the interpretations thereof. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts, as well as statutory changes. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the Client and its investors. Many of the changes in the tax legislation commonly referred to as the Tax Cuts and Jobs Act applicable to non-corporate taxpayers were temporary and will no longer apply in taxable years beginning after December 31, 2025 unless legislatively extended. PROSPECTIVE CLIENTS AND INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE IMPACT OF ANY POSSIBLE CHANGES TO U.S. FEDERAL INCOME TAX LAWS ON SUCH INVESTMENT.

**Each prospective Client and investor is strongly encouraged to review and discuss the complex legal and tax issues that can occur in connection with its investment.**

---

**Item 9. Disciplinary Information**

Marlin has no legal or disciplinary events that are material to an investor or prospective investor's evaluation of the advisory business or the integrity of Marlin's investment management.

---

**Item 10. Other Financial Industry Activities and Affiliations**

Marlin Capital, as an MSR Purchaser, is licensed in certain states to hold MSRs. Marlin or its affiliates own a specific equity series of Marlin Capital and controls the day-to-day operations related to managing the MSRs. Assets owned by a Client can be held indirectly through ownership of a separate equity series.

As described under Item 4. "*Advisory Business*" above, an affiliate of Marlin serves as the general partner of the Partnership.



---

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

### A. Code of Ethics

Marlin has adopted a Code of Ethics (the “**Code**”) designed to comply with the requirements of the Advisers Act. The Code sets out expected standards of conduct and is designed to address conflicts of interest. Among other things, the Code requires that the Firm and its related persons, supervised persons and/or access persons to put the interests of the Firm’s clients before its own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with the Firm’s policies and procedures, all the Firm’s personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code at no cost at the contact details listed on the cover page of this brochure.

In addition, Marlin has adopted other policies and procedures designed to address conflicts of interests with respect to, among others, gifts and entertainment, outside business activities and political contributions.

Marlin, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Firm has invested or seek to invest on behalf of Clients. The Firm has adopted written policies and procedures that are designed to properly manage the receipt of and treatment of such information and comply with applicable law. In such circumstances, the Firm will not be able to implement its investment strategy or make investment decisions for the benefit of Clients it ordinarily would have made if it did not possess such information. and Marlin and its affiliates will have no responsibility or liability to a Client or an investor for not disclosing such information to the Client (or the fact that the Firm or an affiliate possesses such information), or not using such information for the Client’s benefit, as a result of following the Firm’s policies and procedures.

### *B. Client Transactions in Securities where the Firm has a Material Financial Interest.*

Marlin, on behalf of its Clients, intends to retain a number of sub-servicers. Each of the Firm, each MSR Purchaser and the General Partner and their respective affiliates are expected to make an equity investment in an operating servicer which may service the MSRs owned by Clients as determined in the investment discretion of the Firm. As such, Marlin and its affiliates will have a pecuniary interest in the fees paid by Clients to servicers and have a conflict in the decision to select such sub-servicers rather than selecting a sub-servicer where there is no equity interest. .

### VALUATION

The General Partner will determine the value of Client investments in consultation with the Firm in accordance with Marlin’s valuation policy, as described in the applicable Client Documentation.

### ALLOCATIONS

Future activities of the Firm, the General Partner and their respective affiliates, including the establishment of other Funds with substantially similar investment objectives may give rise to conflicts of interest. To this end, Marlin has adopted a policy to allocate investment opportunities fairly and equitably among Clients to the extent possible over a period of time. In making those decisions, the Firm will take into account a number of factors, including but not limited to, whether the Client has sufficient funds to participate in the investment, tax consequences, legal or regulatory restrictions, relative historical participation of a Client, difficulty in liquidating an investment for multiple Clients, risk or investment concentration parameters, amount of cash available for investment, length of time between investments for a particular Client, investor guidelines and such other factors as deemed relevant by the Firm. As such, there is no assurance that investments will be allocated on a pro rata basis or that all Clients will participate in every investment opportunity even when eligible. Clients’ results may differ, perhaps, substantially

from the results of other Clients with substantially similar investment strategies and mandates. If a Client or an investor sources a transaction without the assistance of the Firm or General Partner, such transaction will typically be allocated to the sourcing Client or the Fund where the sourcing investor hold an interest.

---

**Item 12. Brokerage Practices**

As of the date hereof, Marlin does not select or recommend broker-dealers for Client transactions and does not aggregate the purchase or sale of securities for its Client accounts. Additionally, Marlin does not utilize any “soft dollar” arrangements. Furthermore, Marlin does not intend to direct trades in direct recognition of research provided by a broker-dealer.

---

**Item 13. Review of Accounts**

The Firm's investment personnel reviews Client activity periodically and discusses relevant economic news and market conditions and trends. Such reviews are expected to be informal and undocumented in the discretion of the Firm. Clients and investors in Funds receive reports in accordance with the terms of the applicable Client Documentation.

---

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

Marlin compensates third parties for Client or investor referrals. Such arrangements are designed to comply with the applicable requirements of the Advisers Act. As of the date hereof, neither Clients nor the underlying investors in a Client are obligated to pay all or any part of such fees.

With respect to each Fund, Marlin is deemed to have custody of Client assets as a result of it or its affiliates serving as general partner to a Partnership. In such instances, Marlin will seek to comply with the applicable requirements of the Advisers Act.

---

## Item 16. Investment Discretion

In general, Marlin will have full discretion to buy and sell investments on behalf of Clients, including authority to make decisions with respect to amount, price and counterparties (subject in all respects to the terms and conditions set forth in the applicable Client Documentation). In certain Client Documentation, the investor committee must provide consent with respect to the purchase and sale of investments on behalf of such Client. In the case of the Funds, Marlin provides investment advice to the Funds and not individually to investors.

In this capacity, Marlin is generally authorized to effect cross transactions between discretionary Client accounts, except as otherwise set forth in the applicable Client Documentation or prohibited by applicable law or regulation. Cross transactions enable the Firm to effect a trade between two Clients for the same investment at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission or transaction costs for both accounts. The Firm has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Marlin expects to engage in a cross transaction between Clients when it has determined that the cross transaction is in the best interest of each Client.

It is possible that despite Marlin's good faith efforts, trade errors will occasionally occur. Marlin seeks to detect and correct errors promptly and in accordance with its internal practice. The Firm has discretion to resolve a particular error in any manner that it deems appropriate and consistent with its internal practice. In the event that a Client incurs a trade error as a result of the Firm's violation of the standard of care that is applicable to the Client, Marlin will reimburse the client for losses attributable to such violation. Trade errors that do not result from Marlin's breach of the standard of care applicable to the Client are borne by the Client account. The Firm is not responsible for the errors of other persons, including third party brokers and custodians, unless expressly agreed to by the Firm.

To the extent Marlin, pursuant to Client Documentation, is authorized to participate in class action claims (each, a "**Claim**"), it will do so on a case-by-case basis. Once the Firm receives a Claim, Marlin will determine whether any Clients or former Clients is eligible to be a member of the class covered by the Claim. Marlin will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors it deems relevant. To the extent the Claim results in proceeds for Clients, Marlin's general policy is that only current Clients or F investors at the time of receipt of the proceeds will participate in the proceeds. The Firm under certain circumstances elect not to participate in the proceeds of a Claim in its sole discretion. When Marlin uses the services of a third party to process Claims, such service provider's fees and expenses are expected to be borne by Clients and not the Firm.

---

**Item 17. Voting *Client* Securities*****A. Policies and Procedures Relating to Authority to Vote Client Securities.***

The Firm does not invest Client funds in instruments where proxy voting is applicable.



---

**Item 18. Financial Information**

Marlin does not have any financial conditions that it considers reasonably likely to impair its ability to meet contractual commitments to Clients.

---

**Item 19. Requirements for State-Registered Investment Managers**

This Item is not applicable.