

1124 Capital, LLC

PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of 1124 Capital, LLC (“1124 Capital” or the “Firm”). If you have any questions about the contents of this brochure, please contact John Hanisch Chief Compliance Officer (“CCO”) at (917) 691-5193 or john.hanisch@1124capital.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.

For “Registered Investment Advisers”: Any reference to 1124 Capital as a registered investment adviser does not imply a certain level of skill or training.

Additional information about 1124 Capital also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This is an initial filing, so no material changes apply. In the future, this Item 2 will discuss material changes that have been made since the last annual filing.

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Item 4: Advisory Business

1124 Capital is a Delaware limited liability company with its principal place of business in New York. 1124 Capital was formed and commenced its investment advisory operations in 2021. The Firm was founded by its Managing Members Jordan Milman and John Hanisch.

1124 Capital provides discretionary investment advisory services to funds (each a “Fund” and collectively, the “Funds”), either as investment adviser or as sub-adviser. The Funds’ investments are primarily in a range of assets including, but not limited to, loans backed by consumer receivables and commercial and residential real estate, commercial real estate/commercial mortgage-backed securities, residential real estate/residential mortgage-backed securities, consumer asset-backed securities, collateralized loan obligations (“CLO”) and other asset-backed securities and related loans.

1124 Capital’s advisory services will be provided to the Funds pursuant to the terms of the Funds’ private placement memorandum, operating agreement, limited partnership agreement, and/or investment management agreement, as applicable (collectively, the “Governing Documents”) and based on the specific investment objectives and strategies as disclosed therein. Please refer to Item 8 methods of analysis, investment strategies and risks of loss. 1124 Capital may, in its sole discretion as portfolio manager to the Funds (and prospective Funds), use side letters or other agreements to modify certain offering terms of a Fund for investors in that Fund.

At time of this initial ADV filing, 1124 Capital does not have any assets under management. However, 1124 Capital has registered with the SEC in reliance on Rule 203A-2(c) because it has a reasonable expectation to be eligible for SEC registration within 120 days from the date its registration became effective. This brochure provides descriptions of the strategies and policies 1124 Capital intends to implement upon effectiveness of its registration.

Item 5: Fees and Compensation

1124 Capital is compensated through management and performance fees or allocations which are described in its advisory contracts with the Funds.

Fund Management Fees

As described in more detail in the Governing Documents, 1124 Capital will be entitled, to the extent that funds are available for such purpose in accordance with the priority of payments, to receive (i) a base management fee and/or (ii) a contingent management or carried interest performance-based fee. As stated above, the calculation, payment, and priority of payment are described in the respective Fund's Governing Documents.

Base Management Fees vary by Fund and by investor but will generally be calculated at an annual rate of 1% to 2% of the value of the capital account, invested amount or capital commitment. Management Fees are generally paid quarterly in advance or in arrears. The Base Management fee is negotiable, and 1124 Capital may provide discounts on the Base Management fee for employees of 1124 Capital, their relatives, and large or strategic investors.

Performance Fees vary by Fund and by investor but will generally be calculated as up to 20% of the annual profits on the invested capital for each investor and may be subject to a minimum return hurdle for certain investors. The Performance Fee is negotiable, and 1124 Capital may provide discounts on the Performance Fee for employees of 1124 Capital, their relatives, and large or strategic investors. Minimum return hurdles can vary by Fund.

Redemptions, Termination, Expenses, and Other Fees

Investors in the Funds may be entitled to have their interests in the respective Fund redeemed, subject to Fund-level restrictions, and may, in certain circumstances, be permitted to sell such interests in the secondary market at any time. However, investors should be aware that buyers of such interests may not be readily available in the secondary market. Investors who hold their investment in a Fund when such Fund terminates will receive payment in accordance with the respective Fund's Governing Documents.

1124 Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by the respective Fund. The Funds may incur certain charges imposed by custodians, brokers, and other third-parties such as fees charged by legal counsel, managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

The Funds may invest in other collective investment vehicles managed by third-party investment managers which also charge management fees, which are disclosed in the collective investment vehicles' prospectus or offering memorandum. 1124 Capital's fees are not reduced by these other fees and expenses.

Item 12 further describes the factors that 1124 Capital considers in selecting or recommending broker-dealers for the Funds' transactions and determining the reasonableness of their compensation (e.g., commission rates and mark-ups and mark-downs).

1124 Capital reserves the right to vary the fees as to particular investors by separate agreement and to reduce or waive any fees at any time without entitling any other investor to a waiver or reduction. 1124 Capital may waive or reduce the fee for its own capital and that of its constituent partners, affiliates, and employees, and family members of the foregoing.

Investors should refer to the Fund's Governing Documents for a detailed discussion on the fees and expenses paid by the Fund. Also please see *Item 6: Performance-Based Fees and Side-by-Side Management* for more information on fees.

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

1124 Capital's management fee related to each Fund includes performance or incentive fee or equivalent arrangement as specified in the respective Fund's Governing Documents. Performance-based compensation may create an incentive for 1124 Capital to cause the Funds to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement. In addition, the terms of the performance-based compensation in favor of an affiliate of 1124 Capital which receives such performance-based compensation could incentivize 1124 Capital to make decisions regarding the timing and structure of transactions that may not be in the best interests of the Fund's investors. Since 1124 Capital also invests in securities that may need to be fair valued, the Firm also has an interest in establishing valuations of invested securities. 1124 Capital engages in certain procedures to fair value securities in a manner deemed to establish the most accurate valuations possible based on information gathered by the Firm.

1124 Capital has policies and procedures designed and implemented to ensure that each Fund is treated fairly and equitably to prevent the inappropriate allocation of investment opportunities among the Funds.

Carried Interest

1124 Capital can have an affiliate that acts as a limited partner or general partner ("Carried Interest Partner") for a Fund. That relationship will give rise to carried interest. The existence of carried interest with respect to the Fund may create an incentive for the Firm to make riskier or more speculative investments on behalf of the Fund than it might otherwise make in the absence of such performance-based compensation. In addition, the terms of the carried interest in favor of the Carried Interest Partner could incentivize the Firm as investment manager and an affiliate of the Carried Interest Partner, to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of the Fund's investors. Additionally, since any clawback obligation will be calculated on an after-tax basis under the Governing Documents, Fund investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess distribution to the Carried Interest Partner throughout the term of the Fund.

Additionally, the percentage of profits 1124 Capital is entitled to receive and the terms applicable to such carried interest distributions may vary among the Firm's Funds. Because the opportunity to receive an amount of carried interest distributions is based on the success of portfolio investments, to the extent carried interest percentages or terms applicable to carried interest distributions differ among the Firm's Funds, the Firm may be incentivized to dedicate increased resources and allocate more profitable investment opportunities to Firm Funds bearing higher carried interest percentages or to Firm Funds whose Governing Documents contain less restrictive terms regarding carried interest distributions (such as higher "catch-up" rates). In addition, the Firm may be incentivized to allocate investment opportunities away from Firm Funds that have suffered losses and have not yet achieved a priority return threshold and, instead, allocate them to Firm Funds that are more likely to actively generate carried interest distributions. In order to seek to mitigate the impact of such potential conflicts of interest, the Firm has adopted a written allocation policy governing the allocation of resources and investment opportunities among the Firm's Funds.

Investors should review the respective Fund's Governing Documents for detailed information with respect to performance, incentive, or equivalent fees. Also, please see *Item 10: Other Financial Industry Activities and Affiliations* and *Item 12 Brokerage Practices - Allocation of Investment Opportunities and Order Aggregation* for more information on the effects of side-by-side management.

Co-Investors

To the extent that a particular investment opportunity exceeds the desired allocation to the Fund, or there are prospective investors that 1124 Capital believes will be of benefit to the Fund or the portfolio company or who may provide a strategic, sourcing or similar benefit to the Firm, the Fund, a portfolio company or one or more of their respective affiliates due to industry expertise, end-user expertise or otherwise (each, a "Strategic Co-Investor"), the general partner of a Fund may, in its discretion, offer the opportunity to co-invest alongside the Fund to one or more such Strategic Co-Investors, any limited partner of the Fund, or any other person (including 1124 Capital, portfolio company management team members, consultants or advisors) (collectively, "Co-Investors"). In any event, no Investor should have any expectation of receiving an investment opportunity or to be owed any duty or obligation in connection therewith.

The commitment of Co-Investors may be substantial and such investments may involve risks not present in investments where such Co-Investors are not involved. Co-Investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as break-up fees or abort expenses. Although the Firm endeavors to allocate such fees, costs and expenses on a fair and reasonable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated proportionally. In addition, Co-Investors may not agree to pay or otherwise bear fees, costs or expenses related to unconsummated co-investments. In such event, such fees, costs and expenses will be considered expenses of and be borne by the Fund. Some of the Co-Investors with whom the Fund may co-invest have pre-existing investments with the Firm, and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with the Fund. Please read *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss - Co-Investments with Third Parties* for a further discussion on the risks associated with co-investments.

Item 7: Types of Clients

1124 Capital provides investment advisory services with respect to the Funds as described in Item 4.

Each Fund's Governing Documents detail an investor's participation requirements and investment size.

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

Methods of Analysis and Investment Strategies.

1124 Capital will seek opportunities to purchase and/or originate asset-backed debt as well as invest in and trade public securities backed by similar collateral (“structure products” or “securitized products”). Such assets may include but are not limited to commercial real estate, residential real estate, consumer loans, small business loans, equipment loans, transportation and infrastructure loans (including digital infrastructure), intellectual property, and corporate credit.

The investment process begins with a macroeconomic view and how it impacts the projected fundamental credit performance of focal asset classes. Next, a relative value approach is employed which identifies the most attractive risk-adjusted return potential across prospective investment opportunities. This analysis informs target investment themes from an asset class as well as a structural perspective. Once an investment target has been identified, rigorous analysis is conducted with respect to the following:

- 1) Cash flow modeling (via both proprietary and third-party models): historical collateral analysis, default, severity, prepayment and other projections, servicer behavior, scenario analysis/stress testing in different macroeconomic environments.
- 2) Fundamental underwriting: leverage/appraisal risk, LTV/LTC stress analysis, borrower/sponsor history, qualitative evaluation.
- 3) Structural due diligence: legal, regulatory, and tax.
- 4) Valuation: Relative value with respect to market comparables.

Different investments may require different prioritization and/or emphasis on the items above (for instance, an RMBS bond vs a pool of consumer loans vs a single CRE loan).

In certain situations, market technical analysis becomes prominent, such as when market forces (caused by macro, micro, or exogenous economic or other events) create dislocations that in the firm’s view are beyond what would be reasonably related to long-term fundamental risks. Such environments can create investment opportunities particularly in the public Structured Products markets.

1124 Capital seeks to build a diversified portfolio while maximizing risk-adjusted return. The portfolio is regularly surveilled, rebalanced, and/or hedged based on the same process of relative value and stress-testing based upon macroeconomic, microeconomic, and asset-specific factors.

Portfolio Risks

Investing in the Funds involves risk of loss that investors should be prepared to bear. There can be no assurance whatsoever that a Fund will meet its objectives or avoid significant loss – including the potential loss of the total investment. The following summary is not a complete or exhaustive list or explanation of all the risks associated with an investment in a Fund. No attempt has been made to rank risks in the order of likelihood or potential harm.

1124 Capital primarily invests in loans backed by consumer receivables and commercial and residential real estate, commercial real estate/commercial mortgage-backed securities, residential real estate/residential mortgage-backed securities, consumer asset-backed securities, and other asset-backed securities and related loan pools. Accordingly, investors in the Funds may experience a greater degree of risk.

The Funds may be deemed to be a highly speculative investment and no Fund is intended as a complete investment program. Each Fund is appropriate only for sophisticated investors who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity in their investment in the Funds.

Hedging

1124 Capital's strategy focuses on longer-term maturities and exit strategies. The Firm does not intend to hedge short-term market moves and as such the Funds may be subject to greater volatility than a fully-hedged portfolio. The Firm expects to utilize hedging when macroeconomic, microeconomic or asset-specific factors present risk that could result in fundamental deterioration of the portfolio and change expected maturity or exit strategies. The Firm may be unable to hedge or anticipate some risk factors. Hedges may include Credit Default Swaps, High Yield and Investment Grade Credit Indices and related Tranches, Equities, Equity Futures and Equity Options. The firm will seek to minimize interest rate risk of underlying assets and may use a range of interest rate products to hedge this risk including, but not limited to, swaps, swaptions and interest rate futures. The firm will also seek to minimize currency risk and may use FX spot, forwards or options for this purpose.

Illiquidity of Investments

Certain investments made by 1124 Capital are likely to be illiquid. There can be no assurance that the Firm will be able to dispose of its investments at the price or at the time it wishes to do so. It may also not be possible to establish their current value at any particular time. The lack of liquidity in a Fund's portfolio may significantly impede the Firm's ability to respond to adverse changes in the performance of its assets and may adversely affect the value of a Fund's investments.

Portfolio Concentration

1124 Capital may have the ability to concentrate investments by investing all of its assets in only a limited number of issuers, industries, or countries. A limited degree of diversification increases risk because a Fund's aggregate return may be materially adversely affected by the unfavorable performance of a small number of investments. This will likely be defined in and governed by individual fund terms. Additionally, it is expected that the investment vehicle will have a significant ramp up and ramp down period which could lead to significant portfolio concentrations.

Acquisition of Portfolios of Investments

1124 Capital may seek to purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations. A Fund may be required to bid on such portfolios in a very short time frame and may not be able to perform normal due diligence on the portfolio. Such a portfolio may contain instruments or complex arrangements of multiple instruments that are difficult to understand or evaluate. Such a portfolio may suffer further deterioration after purchase before it is possible to mitigate such risk. Therefore, there is substantial risk that 1124 Capital will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause a Fund to incur substantial losses on such transactions.

Risk Management.

Although 1124 Capital will seek to identify, monitor and manage material risks, it is possible that 1124 will not be successful. Any inadequacy or failure in risk management efforts could result in material losses to Funds.

Non-U.S. investments

Investments in securities of denominated or whose prices are quoted in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-exchangeability) as well as a range of other potential risks which could include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. Income realized, and gross sale or other disposition proceeds received, by the Funds from sources within some countries may be reduced by withholding and other taxes imposed by such countries. 1124 Capital will attempt to hedge currency risk to the best of its ability.

Modeling Risk

1124 Capital utilizes both proprietary and third-party models as part of its investment, hedging, and risk management processes. The completeness and accuracy of such models cannot be guaranteed and could present potential risks to Funds.

Tax Considerations

Funds may engage in certain activities, including loan-related activities and investments in real property, that may be considered by the U.S. Internal Revenue Service (the “IRS”) to be a U.S. trade or business and subject to U.S. federal income tax. If Funds that are not U.S. persons were engaged in or deemed to be engaged in a U.S. trade or business in any year, such Funds could be subject to U.S. federal income tax and branch profits tax on some or all of its income and profits (which could include income and profits from trading activities unrelated to such trade or business). The Funds may be subject to state and local taxation as well. Any such taxation could adversely affect the investment returns, possibly materially. A Fund also may take positions with respect to certain other tax issues that depend on legal conclusions not yet addressed by the courts or by Treasury regulations or other guidance. Should any such position be successfully challenged by the IRS or other taxing authority (which challenge may occur subsequent to a Fund’s ownership of the relevant asset), the investment returns of Investors may be adversely affected.

Structured Products

The risks associated with structured products involve the risks of loss of principal due to market movement. In addition, investments in structured products may be illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. 1124 Capital may invest in a class of structured products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks to the Funds than unsubordinated structured products.

Structured products are typically sold in private placement transactions, and in some cases there is no active trading market for structured products. As a result, certain structured products in which a Fund invests may be deemed illiquid and subject to its limitation on illiquid investments.

Commercial Mortgage-Backed Securities (CMBS) and Related Loans

1124 Capital may invest in commercial mortgage-backed securities (“CMBS”) and other mortgage-backed securities, including subordinated tranches of such securities. CMBS and related loans are subject to credit risk, interest rate risk and, to a lesser extent, prepayment risk. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS. Performance on underlying commercial real estate loans are impacted by the assets ability to

generate sustainable income. Trends in this income generation can have a significant impact on the probability of default and the severity associated with any default. Some or all of the CMBS considered for purchase by the Firm may not be rated or may be rated lower than investment-grade securities, by one or more nationally recognized statistical rating organizations. Lower rated or unrated CMBS, or “B-pieces,” have speculative characteristics and can involve substantial financial risks to Funds as a result. Some of these securities may feature holding requirements related to risk retention mandates.

Commercial mortgage loans are often structured with limited or no principal amortization, and as such they are significantly exposed to the risk of the refinancing market at the date of the bullet maturity. This can cause loans to extend beyond the expected duration and/or cause the loans to suffer principal loss. Commercial mortgage loans are generally structured as non-recourse, such that in the event of default and liquidation (notwithstanding borrower remedies negotiated with a special servicer), the value of the real estate will be the determining factor in the principal recovery of a loan, and a CMBS bond’s credit enhancement within a capital structure will further determine the principal impact to such a bond.

Mezzanine Loans are ownership interests pledged by a mezzanine borrower and represent all or a portion of the direct or indirect equity in an entity that itself is a borrower under a commercial mortgage loan. Mortgage borrowers pledge commercial property as security for such mortgage loan, and the mortgage loan and occasionally other indebtedness and obligations (including derivatives and future advances) are senior in priority to the Mezzanine Loan. Interest received on Mezzanine Loans are typically a direct function of the distributions received by the mezzanine borrower. Repayment of a Mezzanine Loan is highly dependent on the performance of the underlying commercial properties is subject to similar considerations and risks as other commercial real estate loans. Loans may be non-recourse and in the event of a default there will be recourse only against the specific assets that have been pledged to secure such Loans.

Residential Mortgage-Backed Securities (RMBS) and Related Loans

1124 Capital may invest certain of its assets in residential mortgage-backed securities (“RMBS”) and become holders of RMBS. Holders of RMBS bear various risks, including credit, market, interest rate, structural, regulatory and legal risks. Investing in mortgages typically involves the risk that an underlying investment may prepay principal sooner than expected, potentially exposing investors to the risk that reinvested capital may earn a lower rate of return. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower’s equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited. 1124 Capital may seek to dispose of non-performing loans in lieu of foreclosure which could result in a lower recovery than what might otherwise be achieved through foreclosure.

Purchasing and/or originating residential loans introduces a number of legal and regulatory risk factors which are discussed the “Legal and Regulatory Risk” Section below.

Asset-Backed Securities Investments and Related Loans

1124 Capital may make asset-backed securities (“ABS”) investments in a range of asset classes that will subject Funds them to further risks, including, among others, credit risk, liquidity risk, interest rate and other market risk, operational risk, structural risk, sponsor risk, and other legal risk. The investment characteristics of ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, often monthly, and in many cases the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time. ABS

are often not secured by an interest in the related collateral. The risk of investing in ABS is ultimately dependent upon payment of underlying loans by the debtor.

The value of an ABS is affected by changes in the market's perception of the asset backing the security, the realized performance of the underlying assets and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement. In addition, investments in subordinated ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of ABS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. There may also be no established, liquid secondary market for many of the ABS the Fund may purchase. The lack of such an established, liquid secondary market may have an adverse effect on the market value of such ABS and the Firm's ability to sell them. Further, ABS may be subject to certain transfer restrictions that may further restrict liquidity. Finally, the Firm may engage in enforcement actions, litigation and settlement discussions that may expose the Fund to additional expenses, legal proceedings and restrict its trading activities. There is no assurance that any of these enforcement actions or other activist efforts will prove successful.

Collateralized Loan Obligations

1124 Capital may invest in collateralized loan obligations ("CLOs"), which involve, among other things, the securitization of leveraged loans and are subject to credit, liquidity, and interest rate risks. CLOs generally are limited recourse obligations of the issuer payable solely from the cash flow obligations (e.g., principal and interest) of the corporate issuer that represent the underlying assets. Consequently, holders of the notes issued by a CLO must rely solely on distributions of cash flows for the payment of principal and interest on their particular notes; the amounts available to a CLO to make such payments may be further reduced by the expenses of the CLO, including management fees and performance fees. If distributions of cash flows are insufficient to make full payment on a particular note, no other assets are available from which to pay any deficiencies. If economic conditions are unfavorable, or there is not a sufficient volume of new CLO transactions or other sources of funding, the underlying loans may either be extended, or the borrowers may default. This may negatively affect the value of existing CLOs, particularly the lower-rated mezzanine tranches and subordinated tranches. In addition, the performance of a security issued by a CLO will be affected by a variety of factors, including its priority in the CLO's capital structure, the availability of any credit enhancement and the level and timing of payments and recoveries on, and the characteristics of, the underlying loans. Moreover, a rapid change in the rate of defaults may have a material adverse effect on the yield to maturity of a security issued by a CLO. It is, therefore, possible that a Fund may incur losses on its investments in CLOs regardless of their ratings by any ratings agency.

Additionally, there may not be a secondary market for CLO securities, and none may develop. Consequently, the securities issued by CLOs may not be readily marketable. To the extent that any secondary market does exist for the securities, the price at which they may be sold could be at a discount (which may be substantial) from the market value of the investment and significant delays could occur in the actual sale of those securities. In addition, securities issued by CLOs are usually subject to certain transfer restrictions that may further limit their liquidity, and various regulatory requirements may restrict a potential investor's ability to purchase those securities or make such an investment unattractive to them. An investment in securities issued by CLOs is designed for long-term investors, and investors, including a Fund, must be prepared to bear the risk of holding them until their stated maturity.

Lower Credit Quality Securities

Securities in which 1124 Capital may invest may be deemed by rating companies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may be unrated. Lower

rated and unrated securities have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher-rated securities but involve greater volatility of price and greater risk of loss of income and principal to Funds.

Non-Performing Nature of Loans

1124 Capital may invest directly or indirectly in loans, which may be non-performing and possibly in default. Furthermore, the obligor and/or relevant guarantor may also be involved in bankruptcy or in liquidation proceedings. There can be no assurance as to the amount and timing of payments with respect to the loans. Although 1124 Capital will attempt to manage these risks, there can be no assurance that a Fund's investments will increase in value or that a Fund will not incur significant losses.

Non-Controlling Investments

1124 Capital may principally hold debt obligations and other non-controlling interests and, therefore, may have a limited ability to protect the Fund's position in such situations. The Firm intends to procure appropriate rights to help protect a Fund's interest, but there can be no guarantee that any such rights that may be obtained will be sufficient to protect the Fund's interest in every situation.

Real Assets

Funds may be subject to risks incident to the ownership of real or hard assets, including without limitation, (i) the burdens of ownership of real or hard assets, (ii) changes in local real or hard asset conditions in the markets in which a Fund invests, (iii) inability to lease or sell real or hard assets, (iv) environmental risks related to the presence of hazardous or toxic substances or materials on the relevant real or hard assets, (v) the subjectivity of real or hard asset valuations and changes in such valuations over time, (vi) the illiquid nature of real or hard assets to other financial assets, (vii) changes in laws and governmental regulations and (viii) changes in the general economic and business climate. Once a real or hard asset has been acquired, Funds will be subject to all the risks and expenses of an asset owner. The occurrence of any of the risks described above may cause the value of a Fund's real or hard asset investments to decline, which could materially and adversely affect the Fund. If 1124 Capital is forced by market conditions to hold an asset for a longer holding period or for a higher holding cost than expected, the results could be materially adverse to the Fund.

Interest Rate Risk

Investing in structured products involves exposure to fixed and floating rate assets that may be subject to interest rate risk. As underlying interest rates rise, fixed rate assets will generally decrease in price. 1124 Capital intends to minimize interest rate risk through the use of various hedges, including swaps, swaptions, treasury futures and options. There is no guarantee that underlying hedges will perform as expected and the Funds may be exposed to residual interest rate risk as a result.

Leverage

1124 Capital may use leverage in managing the Funds' portfolios. Leverage may be used to, among other things, (1) manage cash flows, (2) hedge positions, and (3) enhance returns. The use of leverage may result in each Fund controlling substantially more assets than the Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the respective Fund to additional levels

of risk, including, but not limited to, (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. Overall, the use of leverage can increase investment losses.

Fraud

Funds could be adversely affected by material misrepresentations or omissions on the part of a borrower or counterparty or by fraudulent behavior by investment partner, manager or other service provider. Inaccuracies or incompleteness of representations may adversely affect the valuation of collateral underlying loans and may adversely affect the ability of a Fund to perfect or effectuate a lien on the collateral securing a loan. Fraudulent behavior by a counterparty could result in the misappropriation of a Fund's assets or otherwise reduce the value of one or more of a Fund's investments. Funds will rely upon due diligence by 1124 Capital and the accuracy and completeness of representations made by borrowers, other counterparties, investment partners, managers and other service providers and cannot guarantee that it will detect occurrences of fraud. In addition, under certain circumstances, payments by borrowers to a Fund may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential distribution.

Lending Risks

1124 Capital may purchase U.S. residential mortgages, as well as secured or unsecured consumer loans. Investing in such products gives rise to various risks to clients, including for example the possibility of enhanced governmental and regulatory scrutiny, enforcement and other actions, as well as class action lawsuits. In addition, Funds may be subject to lender liability (even if the Funds did not originate such loans) and borrower defenses to repayment based on usury laws, or on claims that the Funds lack the proper licenses to originate, purchase, or hold the loans. In connection with the foregoing, borrowers may be able to recover amounts previously paid, as well as penalties and/or punitive damages. Further, if the Funds are found to have violated applicable law, they could be subject to criminal prosecution. In addition, if a mortgage that Funds purchase is not a "qualified mortgage" (as defined by the U.S. Consumer Financial Protection Bureau), Funds may be subject to various additional borrower defenses to repayment and claims that might not otherwise be available if the mortgage were "qualified". Engaging in such activities may also subject the Funds to various licensing requirements.

In conducting its investment activities, 1124 Capital may rely on third parties to conduct due diligence on loans. In the event of liability arising from such activities or loans, the Funds may not be in a position to recover any losses due to the passage of time and/or due to contractual limitations.

In addition, if the Funds participate in the securitization of loans, they would generally be required to make various representations and warranties in respect of the loans, even though the Funds may not have originated such loans. A violation of such representations and warranties could require the Funds to repurchase any securitized loans at par, which would materially adversely affect the Funds, and therefore the investors. In any such instance, it may not be practicable for the Funds to seek to recover any losses from the originators of such loans.

Investments May Be Volatile

A principal risk in investing in distressed investments is the traditional volatility in the market prices of such investments. Price movements of the instruments in which a Fund's assets may be invested may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, a national or international health crisis (e.g., COVID-19) and national and international political and economic events and policies. Fluctuations or prolonged changes in the volatility of such instruments, therefore, can adversely affect the value of investments held by a Fund. Many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, price volatility may be higher for a Fund's non-U.S. investments. In addition, governments from time to time intervene in certain markets. Such intervention often is intended directly to influence prices and may cause or contribute to rapid fluctuations in asset prices, which may adversely affect a Fund's returns.

Co-Investments with Third Parties

As discussed above, a Fund may co-invest with third parties through partnerships, joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement and risks not present in direct investments, including the possibility that a third-party Co-Investors may have financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of a Fund; or may be in a position to take (or block) action in a manner contrary to a Fund's investment objective. Furthermore, if such Co-Investors or partner defaults on its funding obligations, it may be difficult for a Fund to make up the shortfall from other sources. Such Funds may be required to make additional contributions to replace such shortfall, thereby reducing the diversification of their investments. Any default by such Co-Investors or partner could have an adverse effect on a Fund. In addition, a Fund may be liable for the actions of its Co-Investors or partners. While the Firm will attempt to limit the liability of a Fund through contractual arrangements and by reviewing the qualifications and previous experience of Co-Investors or partners, it may not undertake private investigations with respect to prospective co-venturers or partners.

A Fund may enter into compensation arrangements with third parties relating to such investments, including incentive compensation arrangements. Though the Firm considers the effect of such compensation on the expected returns, such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and a Fund.

Conflicts of interest may arise in relation to co-investment transactions. For example, the Firm may take into account the interests of a Co-Investor (and not just the interests of a Fund) when structuring, negotiating and implementing a co-investment transaction, or may defer or accelerate the timing of a particular transaction to take into account the timing considerations of a Co-Investor (and not just the timing considerations of the Fund). The Firm may (or may not) in its discretion: (i) charge carried interest, incentive allocation, management fees or other similar fees to Co-Investors and the Firm may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees or other similar fees; and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements, each of which could create a conflict of interest for the Firm when allocating investment opportunities, particularly if the terms agreed between the Firm and the co-investor(s) provide for the payment of higher fees and/or the allocation of larger profit shares to the Firm than the terms of the Fund, or for the Firm to receive and retain, without any compensating offset or deduction, fees such as transaction, monitoring and/or other fees with respect to the Co-Investor's portion of the relevant investment. The existence of these or similar fee or profit share arrangements could give the Firm an incentive to increase a Co-Investor's allocation of a given investment opportunity (thereby

decreasing the Fund's allocation of that investment), or generally to make greater use of co-investment than might otherwise be the case.

Further, the Firm's ability to exercise control or significant influence in connection with these cooperative arrangements may be limited and will depend on the nature of the relevant documentation. Further, in the event that the Firm is unable to syndicate a loan or loans as intended, the Fund would be forced to retain larger amounts of such loan or loans than originally intended. In such an event, the Fund's investment portfolio could become significantly concentrated in a particular loan or loans.

Cybersecurity Risks

1124 Capital's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks and the computer systems and networks of service providers. Although the Firm takes protective measures, and it is expected that service providers would take protective measures, their respective computer systems, software and networks may be vulnerable to unauthorized access, theft, misuse, computer viruses or other malicious code and other events that could have a security impact. If one or more of such events occur, the investors' confidential information processed and stored in, and transmitted through their respective computer systems and networks could be jeopardized.

Pandemics and COVID-19

Pandemics, depending on their scale, may cause different degrees of damage to global, national and local economies. COVID-19 (also known as novel coronavirus) presents unique, rapidly changing and hard to quantify risks. In general, it has resulted in a significant reduction in commercial activity on a global scale that has adversely impacted many businesses. Governments, on the national, local and state level, are instituting and revising a variety of measures including lockdowns, quarantines and states of emergencies, which collectively may continue to slow the global economy to the point where it enters a recession.

Within each of the asset categories in which 1124 Capital are expected to invest, COVID-19 has adversely affected, and may continue to affect, the financial strength of the individuals, counterparties and issuers with whom Funds are likely to transact. For example, COVID-19 has adversely affected many borrowers of loans or mortgages (and securities backed by such loans or mortgages, or loans or mortgages secured by such collateral), which may lead to increased delinquencies in loan payments, defaults on loans and an overall decline in income from such investments.

Although there is reason to believe that the COVID-19 outbreak may be contained over a reasonable period of time, there can be no assurance this will be the case and, in the meantime, global equity, bond and credit markets may be adversely affected. Such disruption may adversely affect Fund returns, operating results and financial condition.

The Fund's Lack of Operating History

Although 1124 Capital and members of the investment team have extensive experience in making investments, the Firm has no operating history. Investors should consider that 1124 Capital has not previously managed third-party investment vehicles.

While certain risks are summarized herein, the above should not be considered to be an exhaustive list of all the risks which investors in the Funds should consider. Investors in the Funds should refer to the respective Fund's offering documents, for additional information on risk factors and risk of loss. Details of

the investment strategy, risk of loss, and methods of analysis are set forth in the respective Fund's offering documents.

Item 9: Disciplinary Information

Neither 1124 Capital nor any of its officers, directors, or employees or other management persons have been involved in any legal or disciplinary events that would require disclosure in response to this item.

Item 10: Other Financial Industry Activities and Affiliations

As indicated above, 1124 Capital may manage several Funds, some of which have or are expected to have investment programs that are similar and/or overlap. The Governing Documents of the Funds generally do not curtail the Firm's ability to create successor Funds to the Firm's other existing platforms, as well as separate accounts or other investment funds or vehicles relating or complementary to the Firm's other existing platforms or new investment strategies and platforms. In addition, the Firm may in the future establish, sponsor and/or otherwise become affiliated with other pooled investment vehicles, companies, investors and accounts that have investment programs that are similar to and/or overlap with the investment programs of its current Funds or that may engage in the same or similar business as such current Funds using the same or similar investment and/or business strategies. For example, the Firm could establish a fund that focuses on investing in a single industry or geographic region or of a certain investment type, such as MBS, which could invest side-by-side with an existing Funds in deals in that industry or geographic region or of that investment type. The Firm anticipates that new pooled investment vehicles (or additional classes or series of interests in its current Funds), single-investor funds and/or managed accounts, each with investment programs that are similar to and/or overlap with the investment programs of current Funds, will be created in the future. The investment allocations and performance results of all other Funds may differ from the performance results of a particular Fund. This can result from, among other things, differing tax, regulatory, legal, leverage and other considerations.

The Firm will devote the time that in its judgment will meet its fiduciary duty. As a result of the foregoing, the Firm and its personnel may have conflicts of interest in allocating their time and resources among Funds, in allocating investments among Funds and other entities, and in effecting transactions among Funds and other entities, including ones in which the Firm or their personnel may have a financial interest.

Please see *Item 12 Brokerage Practices - Allocation of Investment Opportunities and Order Aggregation* for more information on side-by-side trading.

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

1124 Capital recognizes its fiduciary responsibility to treat clients fairly and avoid actual or potential conflicts of interest. The Firm's supervised persons have an obligation to act solely in the best interests of clients, and to make full and fair disclosure of all material facts, particularly where the clients' interests may conflict with the interests of Firm and/or the Firm's supervised persons. The Firm's supervised persons must maintain the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust and therefore 1124 Capital has adopted a Code of Ethics (the "Code") which describes the general standards of conduct that it expects of all supervised persons and focuses on specific areas where supervised persons' conduct has the potential to adversely affect the clients, such as: misuse of confidential information, personal securities trading and outside business activities. Failure to uphold the Code may result in disciplinary sanctions, including termination by the Firm. All supervised persons must acknowledge the terms of the Code annually, or as amended.

Any investor or prospective investor may request a copy of the Firm's Code. Under the Code, the Firm's supervised persons are permitted to maintain personal trading accounts provided that such accounts are disclosed to the Firm and any personal trading by supervised persons must be consistent with the Code and all applicable laws. Employees may buy, sell or hold for their own personal trading accounts securities that the Firm also may buy, sell or hold for the private funds it manages subject to compliance with applicable laws, rules and regulations, the Code, pre-approval and a determination that no conflict of interest exists.

Misuse of Nonpublic Information

1124 Capital's Code also addresses misappropriation of material nonpublic or proprietary information (e.g., insider trading) and outside business activities. The Firm's insider trading prohibitions (i) apply to all supervised persons, (ii) extend to activities within and outside their duties as the Firm's supervised persons, and (iii) apply to investment interest-related information that is internal to the Firm. Employees are permitted to engage in limited outside business activities provided these activities are pre-cleared by the CCO and more importantly, do not create an actual or potential conflict of interest with any client due to the amount of time spent on such activities and the investment-related nature of certain activities.

Personal Securities Trading

Subject to compliance with applicable laws, rules and regulations, and the Code, supervised persons may buy, sell or hold for their own personal trading accounts securities, including the same securities in client accounts. 1124 Capital has adopted personal trading policies and procedures to prevent conflicts of interest with the Funds. The Firm at times may maintain a restricted list of securities that it and its supervised persons may not trade in order to avoid the misuse of material nonpublic information or confidential client information. Firm's CCO and/or his/her designee periodically reviews the personal accounts of its employees for compliance with these policies and procedures.

Outside Business Activities

1124 Capital's CCO must pre-approve all outside business activities conducted by the Firm's supervised persons. If any activities are deemed to conflict with the Funds, such conflicts will be fully disclosed.

Broker Selection

1124 Capital buys and sells securities and other instruments for Funds on a discretionary basis. The Firm is authorized to make the following determinations without obtaining prior consent from any Fund or investor: (1) which securities or instruments to buy or sell; (2) total amount of securities or instruments to buy or sell; (3) the executing broker or dealer or counter party for any transaction; and (4) the commission rates or commission equivalents (or markups and markdowns in the case of certain fixed income securities) charged for transactions. Among other factors, the Firm considers the availability of the investment, the price and the transaction costs associated with the purchase or sale of the investment.

1124 Capital seeks to obtain “best execution” for orders placed, considering circumstances that are relevant in its reasonable determination including, but not limited to, price (including any applicable dealer spread or commission), the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; operational facilities of the firm involved and the competitiveness of spread or commission rates in comparison with other brokers satisfying the Firm's other selection criteria. Although the Firm generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Research and Brokerage Services

1124 Capital currently does not obtain third-party research services or products with the Funds' commissions (“Soft Dollars”).

Generally, commissions and other transaction costs (e.g., mark-ups and mark-downs) paid to broker-dealers to execute transactions include the cost to receive their proprietary research and other brokerage services and, in the future, 1124 Capital may determine that it is in the Fund's best interest to use such services.

If 1124 Capital decides to enter into a Soft Dollar arrangement with a broker-dealer for the purpose of receiving third-party research, Funds whose Soft Dollars are used to pay for such research and brokerage services may not necessarily receive the direct benefit of this research or brokerage services while Funds who do not pay for these services may receive the benefit.

1124 Capital believes that receipt of third-party research and brokerage services would benefit all Funds without regard to whether the Fund which provides the Soft Dollars receives the direct benefit. The Firm is not required to weigh any of these factors equally. Soft Dollar commission rates, mark-ups or mark-downs may be higher than that might be otherwise available to execute the transaction. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts, statistics and pricing or appraisal services, and access to research analysts and company executives. Information received is in addition to and not in lieu of services required to be performed by the Firm and the Firm's management fees are not reduced as a consequence of the receipt of such supplemental research information.

Order Aggregation

1124 Capital, at its discretion, may aggregate orders in the same security for Funds transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the

related transaction expenses) in a fair and equitable manner based on factors such as, among other things, (i) de minimis fill; (ii) insufficient cash in an account; (iii) the Firm's allocation policy among Funds; or (iv) investment periods applicable to a Fund.

1124 Capital believes that by aggregating orders, commission rates and transaction costs may be reduced as a result of such aggregation. However, in certain instances, aggregating orders and allocating among the Funds may result in higher or lower total net execution price than otherwise obtainable by effecting Fund transactions separately. The Firm believes that aggregating orders contribute to seeking best execution.

Allocation of Investment Opportunities

Certain inherent conflicts of interest arise from the fact that: (i) 1124 Capital may provide investment management services to more than one Fund; and (ii) Firm Funds may have one or more overlapping investment strategies. Also, the investment strategies employed by the Firm for current and future Firm Funds could conflict with each other and may affect the prices and availability of the securities and other assets in which such the Firm Funds invest. In addition, the Firm may give advice and recommend securities to others, which advice or securities may be identical to, or differ from, advice given to, or securities recommended or bought for, a specific managed account (or managed accounts), or fund (or funds), even though their investment objectives may be the same or similar. Such other funds and managed accounts may be subject to different fees and expenses, and the Firm may own interests in some of such other funds and managed accounts. If participation in specific investment opportunities is appropriate for more than one Firm Fund, participation in such opportunities will be allocated pursuant to the Firm's allocation policies and procedures. There can be no assurance, however, that the application of such allocation policies will result in the allocation of a specific investment opportunity to the Fund or that the Fund will participate in all investment opportunities falling within its investment objective. Such considerations may also result in allocations of certain investments among the Firm Funds' accounts on other than a *pari passu* basis.

1124 Capital expects to allocate such opportunities among the Fund and other accounts on a basis that the Firm determines in good faith is appropriate, taking into consideration such factors as the Firm determines, including but not limited to the capital available to the Fund and such other accounts, any restrictions on investment, fiduciary duties owed to other accounts, the sourcing of the transaction, the size of the transaction, the amount of potential follow-on investments that may be required for such investment and the other investments of the Fund and such other accounts, the relation of such opportunity to the investment strategies of the Fund and such other accounts, reasons of portfolio balance, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Fund and each such other account and other considerations deemed relevant by the Firm in its sole discretion. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on a basis consistent with the Firm's allocation policy and in compliance with applicable regulatory obligations or otherwise in a manner which treats each such account fairly, including on the basis of designating a primary mandate. All of the foregoing procedures could in certain circumstances (i) adversely affect the price paid or received by the Fund or the size of the position purchased or sold by the Fund, (ii) preclude the Fund from participating in an investment or (iii) limit the rights that the Fund may exercise with respect to an investment. Further, the allocation of investment opportunities otherwise eligible for the Fund to other accounts may serve to decrease certain investment opportunities to the Fund. If an order on behalf of more than one account cannot be fully executed under prevailing market conditions, investments may be allocated among the different accounts on a basis which the Firm or its affiliates consider equitable.

Payment for Investor Referrals

See Item 14 below for information with respect to payment for investor referrals.

Trade Errors

From time-to-time, 1124 Capital may cause a trade error to occur. Examples of trade errors are: an incorrect amount of securities is transacted, transactions are effected in the wrong account, securities are purchased when they should have been sold, and for other reasons. When trade errors occur, the Firm's policy is to correct the error promptly. In the event that the Firm caused the error, the Firm's policy is to make the affected Fund whole. If a third-party caused the error (e.g., 1124 Capital properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), the Firm will take steps to collect from the third-party the amount of the error; however, there is no guarantee that the Firm will be successful recuperating such funds in which case the affected Fund will bear the loss.

Principal and Agency Cross-Transactions

"Principal transactions" are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells to any advisory client any security.

An "agency cross transaction" is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. 1124 Capital is neither registered as, nor is affiliated with, a broker-dealer, and typically does not engage in principal and agency cross transactions.

Cross-Trades

From time-to-time, 1124 Capital may affect a purchase of a security for one or more Funds at the same time as a sale of the same security for another Fund. Such transactions may be effected to rebalance the positions held in the Fund's portfolio, to take into account the Fund's cash flows or to comply with investment guidelines and restrictions. Such transactions, at the Firm's discretion, will generally be effected at a price and time as it deems appropriate under the circumstances (e.g., liquidity for the security and the size of the transaction). 1124 Capital will attempt to document the price at which any cross trade does occur through its normal valuation process. 1124 Capital does not expect to execute many Cross-Trades.

Item 13: Review of Accounts

Account Reviews

Investments are monitored continuously by 1124 Capital investment personnel by applicable industry.

1124 Capital's investment professionals generally review potential market opportunities on a daily basis. On an ongoing basis, the Firm monitors investments in the respective Funds and each Firm investment professional focuses on one or more industries.

The investment team meets regularly to set risk budgets based on current market views. The team actively monitors stop loss limits, volatility, and relative position sizing to ensure compliance with the targeted portfolio exposures set by the Managing Members.

Account Reports

The person designated by the Funds' Governing Documents provides investors in the applicable Fund with monthly account reports that include portfolio exposures and performance information.

Item 14: Client Referrals and Other Compensation

Investor Referrals

The Funds and prospective Funds have, in the case of the Funds, and may, in the case of prospective Funds, enter into arrangements with placement agents (“Placement Agents”) whereby Placement Agents are compensated for referring investors to the Funds. Generally, payments to Placement Agents historically have been based on a percentage of the amounts raised; compensation to Placement Agents is negotiated at the time of engagement of the Placement Agent.

Conflicts of Interest

Referred investors to the Funds (and prospective Funds) should be aware of inherent conflicts of interest between 1124 Capital and investors with respect to the Placement Agent arrangement described above. Placement Agents may refer potential investors to the Funds (and prospective Funds) because they will be paid a fee and not because the Funds (and prospective Funds) provide appropriate investment strategies or are suitable for investors. Even though the Funds (and prospective Funds) pay the Placement Agent, the Firm earns management and incentive fees from the Funds (and prospective Funds) in which these investors invest. These management and incentive fees earned by Firm may be higher than what other collateralized obligation funds might pay another investment manager.

Placement Agents may refer potential investors to the Funds (and prospective Funds) because they will be paid a fee and not because the Funds (and prospective Funds) provide appropriate investment strategies or are suitable for investors.

Investors in the Funds (and prospective Funds) should review the respective Fund’s Governing Documents for information with respect to payments to the Placement Agent and potential conflicts of interest between the Placement Agent and the Funds (and prospective Funds). In addition, investors in the Funds may contact the CCO, to obtain information with respect to the arrangement with the Placement Agent, including the fee payment schedule.

Item 15: Custody

If an affiliate of 1124 Capital has the authority of over a Fund's assets, it is deemed to have custody over those assets. As such, that Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor in each Fund within 120 days following the end of each fiscal year of the Fund. The audited financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

Item 16: Investment Discretion

1124 Capital has investment discretion which shall be exercised in a manner consistent with the stated investment objectives for a Fund and in accordance with that Fund's Governing Documents. See also Item 13 – Review of Accounts above. Important information about a Fund, including the specific investment policies, fees and expenses, and other material terms, are set forth in the Fund's Governing Documents.

Item 17: Voting Client Securities

1124 Capital has voting authority because it has discretionary authority over the securities held by its Funds. Although some matters that may be voted on by the Firm might not be considered conventional "proxy votes" for issuers of listed equity securities. As an investment adviser primarily investing in fixed income securities, there generally would be few instances where proxies are required to be voted. These matters may include consent and extensions, re-pricing, refinancing, restructuring, corporate actions and consents to amendments with respect to investments by the Funds. In these instances, the Firm has the authority to vote on matters relating to, or give approval/consent to, amendments proposed by a proxy vote. The Firm's policy is to vote proxies in the best interest of the Funds with a view to maximize value for the Funds.

Additional information about the 1124 Capital's proxy policy and related practices and how a Fund's proxy voting is available upon written request to the CCO.

Item 18: Financial Information

1124 Capital does not, to the best of its knowledge and belief, does not have any financial condition that would be likely to impair its ability to meet its commitments to its Funds.