

Part 2A of Form ADV: Firm Brochure

ARCAPITA INVESTMENT MANAGEMENT US INC.

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This brochure provides information about the qualifications and business practices of Arcapita Investment Management US Inc. ("Arcapita US"). If you have any questions about the contents of this brochure, please contact us at (404) 920-9000. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Arcapita US is available on the SEC's website at www.adviserinfo.sec.gov.

Arcapita US is registered as an investment adviser with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

Since the last version of the Disclosure Brochure of Arcapita US on Form ADV Part 2A (the “Brochure”) was filed with the SEC on September 29, 2021, the only material change that has been made to this document is that additional disclosure has been added to “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*” relating to the use of side letters by the Funds and the Syndication Vehicles.

Item 3: Table of Contents

Item 2:	Material Changes	ii
Item 4:	Advisory Business.....	1
Item 5:	Fees and Compensation	2
Item 6:	Performance-Based Fees and Side-By-Side Management	4
Item 7:	Types of Clients.....	4
Item 8:	Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9:	Disciplinary Information	11
Item 10:	Other Financial Industry Activities and Affiliations.....	11
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	12
Item 12:	Brokerage Practices.....	13
Item 13:	Review of Accounts.....	13
Item 14:	Client Referrals and Other Compensation	13
Item 15:	Custody	13
Item 16:	Investment Discretion	14
Item 17:	Voting Client Securities	14
Item 18:	Financial Information	14

Item 4: Advisory Business

Arcapita Investment Management US Inc. ("Arcapita US") is an investment advisory firm based in Atlanta, Georgia. Arcapita US is a wholly-owned indirect subsidiary of Arcapita Group Holdings Limited and part of a global group of affiliated financial services firms (the "Arcapita Group"). The Arcapita Group's headquarters are located in Bahrain.

Arcapita US is the United States ("US") based investment advisory arm of the Arcapita Group and focuses on making private equity and real estate investments in the US on behalf of the Arcapita Group and its clients.

Arcapita US provides investment advice to the Arcapita Group on a non-discretionary basis pursuant to a sub-advisory agreement (the "Sub-Advisory Agreement") with Arcapita Management Limited ("AML"), an offshore affiliate of the Arcapita Group. Pursuant to the Sub-Advisory Agreement, Arcapita US is responsible for providing the following sub-advisory services to AML on an ongoing basis: (i) sourcing potential US investment opportunities, (ii) conducting due diligence and investment analysis of potential investment opportunities, (iii) making investment recommendations to AML, (iv) implementing such investment recommendation as are approved, (v) monitoring such investments, (vi) recommending exit strategies to AML, and (vii) implementing such exit strategies as are approved.

Each of the private equity portfolio investments (a "Portfolio Company") generated by Arcapita US are typically held in a separate single asset fund sponsored by the Arcapita Group (each a "PE Fund"). The PE Funds are organized and operated in accordance with Islamic rules and principles. At the onset, the Arcapita Group will typically hold the entire interest in a PE Fund (and, indirectly, the underlying Portfolio Company). At a later date, the Arcapita Group will typically establish feeder funds (the "PE Syndication Vehicles") through which a portion of the Arcapita Group's interest in a PE Fund will be sold to other third party investors. Employees of the Arcapita Group (including employees of Arcapita US) may also invest directly or indirectly in a Fund (or such Fund's underlying Investment).

The real estate investments generated by Arcapita US are typically controlling equity investments in real property. These controlling equity investments in real property are not discussed in this Brochure. However, on occasion, Arcapita US may acquire a non-controlling interest in a real estate asset or pool of real estate assets through a joint venture (a "Non-Controlling Real Estate Investment"). Such Non-Controlling Real Estate Investments are typically held in a separate single asset fund sponsored by the Arcapita Group (each a "RE Fund"). The RE Funds are organized and operated in accordance with Islamic rules and principles. At the onset, the Arcapita Group will typically hold the entire interest in a RE Fund (and, indirectly, the underlying Non-Controlling Real Estate Investment). At a later date, the Arcapita Group will typically establish feeder funds (the "RE Syndication Vehicles") through which a portion of the Arcapita Group's interest in a RE Fund will be sold to other third party investors. Employees of the Arcapita Group (including employees of Arcapita US) may also invest directly or indirectly in a RE Fund (or such RE Fund's underlying Non-Controlling Real Estate Investment).

For purposes of this Brochure, (i) the Portfolio Companies and the Non-Controlling Real

Estate Investments may be referred to collectively as the “Investments,” (ii) the PE Funds and the RE Funds may be referred to collectively as the “Funds,” and (iii) the PE Syndication Vehicles and the RE Syndication Vehicles may be referred to collectively as the “Syndication Vehicles.”

Arcapita US tailors its investment advisory activities to comply with the instructions given to it by AML pursuant to the Sub-Advisory Agreement and with the investment objectives, guidelines and restrictions set forth in the governing documents for each Fund (the “Fund Governing Documents”). Arcapita US does not tailor its investment advice to the needs of any particular investor in a Fund or Syndication Vehicle. However, in accordance with common industry practice, the Arcapita Group, a Fund or a Syndication Vehicle may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the investor is granted specific rights, benefits or privileges that are not generally made available to all investors. The terms of such “side letters” or similar agreements are generally not disclosed to other investors in a Fund, except to investors that have separately negotiated for the right to review such agreements. See “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*” below for more details.

The Arcapita Group may, in its sole discretion, offer opportunities to one or more institutional or strategic investors (each, a “Co-Investor”) to co-invest in a Fund’s Investment in a typical “club deal” arrangement. The terms of each such co-investment will be as agreed between the Arcapita Group and the relevant Co-Investor and could be different from those under which the Fund makes its investment. For example, Co-Investors may negotiate preemptive rights, rights of first approval, restrictions on transfer, board seats, blocking/consent rights with respect to certain matters and buy/sell rights and/or the right to assume control upon the occurrence of certain events. See “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*” below for more details.

As of the date of this Brochure, Arcapita US had approximately \$421 million in regulatory assets under management, all of which are managed on a non-discretionary basis.

Item 5: Fees and Compensation

Fund Fees

Each third party investor in a Syndication Vehicle generally pays the Arcapita Group an ongoing management fee (the “Management Fee”) based on an annualized percentage of the amount of capital invested by such third party investor, as set forth in more detail in the offering materials and other governing documents for the Syndication Vehicle (the “Syndication Vehicle Governing Documents”). The Management Fee is initially charged at the time the third party investor invests in the Syndication Vehicle in an amount equal to 5 years’ worth of Management Fees (the anticipated holding period for the Investments held by a Fund). If a Fund’s Investments are all exited earlier than the anticipated 5-year holding period, third party investors will be refunded any paid but unearned Management Fees. Should the holding period for an Investment be extended beyond 5 years, the Arcapita Group will continue to charge Management Fees to the third party investors on an annual basis at the same rate.

Third party investors may also be charged a one-time subscription fee equal to a percentage of the capital they invest in a Syndication Vehicle at the time they invest in a Fund, as described in more detail in the Syndication Vehicle Governing Documents of such Syndication Vehicle.

In addition to the Management Fees and subscription fees described above, the Arcapita Group is entitled to receive a performance fee from the third party investors in a Syndication Vehicle after certain performance hurdles have been met, as further described in the applicable Syndication Vehicle Governing Documents. Such performance fee represents a portion of each Syndication Vehicle's net investment profits.

The management, subscription and performance fees are generally subject to waiver or reduction by the Arcapita Group with respect to some or all of a Syndication Vehicle's investors in the Arcapita Group's sole discretion, as further described in the Syndication Vehicle Governing Documents of each Syndication Vehicle.

Fund Expenses

Each Fund and Syndication Vehicle bears all costs and expenses incurred in connection with the establishment of the entity and the offering of the interests in the vehicle (including but not limited to all regulatory fees, legal, accounting and other professional fees, travel and accommodation expenses, printing costs, marketing costs, and other similar costs). In addition, each Fund's Syndication Vehicle and underlying Investments will incur ongoing expenses such as legal counsel fees, government fees, annual maintenance fees, audit fees and other normal operating expenses. Such expenses may include, without limitation, Cayman Islands and Delaware statutory compliance fees, the fees of the members of the Fund's Board of Directors, the local administrator, ongoing legal and auditing fees, consulting and reporting expenses, investment acquisition and disposition expenses, reasonable travel and other expenses in connection with attending annual and other meetings with or on behalf of the Fund, the Board of Directors or any committee thereof and in connection with underlying Investments of the Fund. These expenses will be paid either directly by each such entity or as reimbursements to the Arcapita Group, if the Arcapita Group has advanced such expenses. Any Co-Investor in an Investment will bear its pro-rata portion of the relevant expenses.

The expenses payable by the Funds' Syndication Vehicles and the underlying Investments referred to above include services fees payable to members of the Arcapita Group. See "Management Agreements" below and *"Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss"* below for more details.

Investors and prospective investors in a Syndication Vehicle should refer to the Syndication Vehicle Governing Documents of such Syndication Vehicle and the underlying Fund Governing Documents of such Fund for more detailed information concerning the fees, carried interest and other expenses that such Fund and Syndication Vehicle will bear.

Sub-Advisory Agreement

As noted above, Arcapita US has entered into the Sub-Advisory Agreement with AML, pursuant to which Arcapita US provides ongoing non-discretionary investment advisory

services to AML in connection with the management of the Funds. In consideration for such services, Arcapita US receives a sub-advisory fee payable quarterly in arrears equal to a percentage of the Management Fees attributable to such quarter payable to the Arcapita Group (the “Sub-Advisory Fee”). The Sub-Advisory Fee is not in addition to any fees payable to the Arcapita Group by a Fund or any Syndication Vehicle.

Management Agreements.

Arcapita US generally enters into a management agreement (a “Management Agreement”) with each PE Fund Portfolio Company, pursuant to which Arcapita US agrees to provide management support and financial consulting services to such Investment. As compensation for such services such Portfolio Company pays Arcapita US a quarterly monitoring fee equal to the greater of a fixed percentage of such Portfolio Company’s consolidated EBITDA or an annual minimum fee amount. In addition to the quarterly monitoring fee, Arcapita US may also receive additional fees from such Portfolio Company in connection with financings, add on and divestiture transactions that Arcapita US assists such Portfolio Company in arranging, as well as a one-time advisory fee in connection with the initial acquisition of such Portfolio Company. Any Sub-Advisory Fees payable to Arcapita US under the Sub-Advisory Agreement are offset 100% by any fee revenue that Arcapita US receives from Portfolio Companies pursuant to the Management Agreements (“Management Agreement Revenue”). However, such Management Agreement Revenues are not used to offset any management, subscription or performance or other fees payable by the PE Funds or any PE Syndication Vehicle to the Arcapita Group. Consequently, the Management Agreement Revenue payable by the PE Fund’s underlying Portfolio Companies to Arcapita US represent an additional expense that is born indirectly by the investors in the PE Funds and PE Syndication Vehicles.

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

As noted in Item 5 above, the Arcapita Group is entitled to receive performance fees from each Syndication Vehicle after certain performance hurdles have been met. These performance-based carried interest distributions create conflicts of interest, including an incentive for Arcapita US, which is an affiliate of the Arcapita Group, to engage in riskier or more speculative investments on behalf of a Fund than might otherwise be the case. In addition, the Arcapita Group may have an incentive in allocating investment opportunities to favor Funds or other clients with a potential for performance-based compensation or greater performance-based compensation over clients with no performance-based compensation or lesser performance-based compensation. However, this potential “side-by-side” conflict is largely mitigated by the fact that the Arcapita Group’s current practice is to invest in each Investment through a single asset Fund representing the Arcapita Group’s entire interest in such Investment.

Item 7: Types of Clients

Arcapita US’s only client is AML and, indirectly, the Funds. Neither the Funds nor the Syndication Vehicles have any investors that are US persons (other than certain employees of Arcapita US), nor do any of the Funds or Syndication Vehicles engage in any public or private securities offerings in the US.

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

Methods of Analysis; Investment Strategies

Private Equity

For private equity investments, Arcapita US's investment strategy focuses on acquiring controlling or significant positions in middle market private equity investment opportunities in the United States. As a result, Arcapita US typically targets investment opportunities of between \$20 million to \$100+ million in size in the consumer, business services, and transportation and logistics industry sectors.

Arcapita US looks for certain key characteristics in a prospective Portfolio Company investment opportunity, including (i) revenue of between \$20 million and \$500 million, (ii) EBITDA of between \$5 million and \$50 million, (iii) a talented management team, (iv) strong growth potential, and (v) high free cash flow.

Arcapita US also evaluates potential exit alternatives for prospective Portfolio Company investments as part of its pre-acquisition due diligence process. Final decisions regarding exit timing and methods are based on each Portfolio Company's particular business plan as well as the economic, market or industry trends and an assessment of the capital markets.

Post-investment, Arcapita US monitors Portfolio Companies closely, regularly working with management and regularly receiving performance reports. Furthermore, Arcapita US personnel serve on the board of directors of its Funds' Portfolio Companies. This contact is intended to permit Arcapita US to assess opportunities for Portfolio Company growth, identify the optimal realization point and find suitable exits.

Real Estate

For real estate investments, Arcapita US considers macroeconomic trends, local real estate market information, discussions with local owners and operators, and other relevant due diligence items. Once an opportunity has been determined to fall within the investment criteria, a term sheet will be issued. Upon execution of a term sheet, Arcapita US begins a formal due diligence process.

As part of Arcapita US's property due-diligence process, its underwriting team will prepare a thorough investment memorandum that compiles property-level data at the sector level, as well as at the local geographic sub-market level, principal and sponsor profiles, market research, detailed financial analysis, post-investment management and disposition plans, and other pertinent information relevant to specific transactions. Local operators, owners, brokers, and lenders will be contacted to obtain detailed local market data as well as important anecdotal information about a specific considered investment. Arcapita US servicing staff may engage third parties to produce a variety of due-diligence reports, including but not limited to appraisals, credit and background checks on borrowers, property-condition reports, and environmental and engineering reports.

In conjunction with property due diligence, Arcapita US conducts legal due diligence, which generally involves but is not limited to conducting a full title and lien search on the property being analyzed, understanding any pending actions with respect to nonperforming loans, obtaining a mortgage proposal, obtaining quotations for insuring the property for casualty and liability risk, and endorsing insurance policies. After a detailed analysis of this material, a final recommendation is made to AML on how to proceed with the proposed transaction.

There can be no assurance that the objectives associated with any strategies described above will be met. At any time, Arcapita US may add, remove, or modify any of the strategies that it employs. Investments involve risk of loss that its investors should be prepared to bear. A more detailed description of our method of analysis and investment strategy is set forth in a Fund's confidential offering memorandum, if any.

Risk Factors

The investment strategies pursued by Arcapita US involve a number of significant risks. These investment strategies may be deemed to be speculative. Such investment strategies are not intended to be utilized as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

General

- The investment strategies pursued by Arcapita US on behalf of the Funds tend to involve making illiquid private investments in a single or a relatively small number of Investments. As a result, the Fund's portfolios tend to be highly concentrated, and the failure of even one of these Investments could have a materially adverse impact on a Fund's overall performance.
- Investments in private funds are illiquid, and interests in a Fund or Syndication Vehicle may not be transferred without the prior consent of such entity's board of directors, which is a part of the Arcapita Group, and the satisfaction of certain other conditions. Investors in a Fund or Syndication Vehicle must be able and prepared to maintain their investments in such entity over the entire life of such investment vehicle.
- Investments in the Syndication Vehicles are passive investments. Third party investors in the Syndication Vehicles have no control over the day-to-day operations of such vehicles and limited rights to protect themselves if they are dissatisfied with the manner in which a Fund or Syndication Vehicle is being operated. Third party investors in a Syndication Vehicle will be highly dependent on the investing skills and management abilities of Arcapita US and the Arcapita Group to achieve success.
- The valuation of the Investments in which the Funds invest is a difficult task that relies heavily on business judgment. There can be no assurance that a Fund will be able to realize its investment in an Investment at a price that is commensurate with the value at which such investment has been carried.
- Each Fund is managed in a manner that is consistent with the best interests of the

Fund, but which is not necessarily consistent with the best interests of each individual investor in the Fund or applicable Syndication Vehicle. For example, Arcapita US may structure investments so as to maximize tax efficiency for a Fund, but which may not be the most tax advantageous structuring possible for an individual investor in the Fund or applicable Syndication Vehicle, depending on that investor's own particular facts and circumstances.

- The competition for sourcing investments in private equity and real estate investment opportunities is becoming increasingly intense. There can be no assurance that Arcapita US will be able to source a sufficient number of suitable investments at reasonable valuations to achieve its investment objective.
- Arcapita US's business depends heavily on the continued involvement of its investment team and other senior personnel. Should such personnel leave Arcapita US, this could have a material adverse effect on Arcapita US's ability to successfully manage its investment program.
- A public health crisis, such as the COVID-19 pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can in turn negatively impact a Fund and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, may adversely impact the business of a Fund's underlying Investment and may result in a decline in value of such Investment. In addition, such disruptions can negatively impact the ability of Arcapita US's personnel to effectively identify, monitor, operate and dispose of Investments. Finally, the outbreak of COVID-19 has contributed to, and may continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect the Fund and Arcapita US's ability to find financing for a Fund's Investment or identify potential purchasers of a Fund's Investment, all of which could have material and adverse impact on a Fund's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to a Fund's performance.

Private Equity Investments

- The businesses of the Portfolio Companies in which the PE Funds invest are subject to significant risks, including strategic, financial or other challenges. Some of these Portfolio Companies may be highly leveraged, and exit strategies may be uncertain at the time an investment in the Portfolio Company is made. The success of these investments is highly dependent on the ability of management of the Portfolio Companies to successfully navigate these and other challenges.
- Due to the fact that the PE Funds are organized as single asset funds, the Portfolio Company in a PE Fund is entirely concentrated in a single industrial sector. In such circumstances, a PE Fund's performance depends heavily on the economic prospects of that sector, which will be influenced by a number of market and other factors that are beyond Arcapita US's ability to control.

Real Estate Investments

- The RE Funds' investments will be subject to the risks incidental to the ownership and operation of real estate, including changes in the general economic climate, local, national, or international conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness, and location of the properties and changes in the relative popularity of property types and locations, changes in the financial condition of tenants, buyers, and sellers of properties, changes in operating costs and expenses, uninsured losses or delays from casualties or condemnation, changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies, the availability of financing, interest rate levels, environmental liabilities, contingent liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors, and other factors beyond the control of a RE Fund of Arcapita US.
- The RE Funds' investments may include acquisition of direct or indirect interests in undeveloped land or underdeveloped real property (which may often be non-income producing), real estate developments or redevelopments, and/or businesses that engage in real estate development or redevelopment. To the extent that the RE Funds invest in such assets or activities, they will be subject to the risks normally associated with such assets and development activities, including the possibility of development cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing, and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after acquisition. Any unanticipated delays or expenses could have an adverse effect on the results of operations and financial condition of the RE Funds. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may continue to experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.
- The RE Funds may purchase, directly or indirectly, investments that are experiencing significant financial or business distress, including securities, companies, or real estate assets involved in bankruptcy or other reorganization and liquidation proceedings. Many of these investments ordinarily remain unpaid unless, and until the investment is reorganized and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. A wide variety of considerations, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain

mandatory or discretionary consents from various governmental authorities or others may affect the value of these investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the Adviser's access to reliable and timely information concerning material developments affecting an investment, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action.

Potential Conflicts of Interest

- The Arcapita Group and its directors and employees will have various interests in, and will serve in different capacities with regards to the Funds, the Syndication Vehicles and their underlying Investments, including holding direct and indirect investments in the Funds and their underlying Investments; seats of the Board of Directors of the Funds and their underlying Investments; providing certain advisory brokerage, administrative services to the Funds and their underlying Investments (for which a fee will be charged); and possibly as provider of Shari'ah compliant financing to the Funds and their underlying Investments (for which a fee will be charged). The terms of the agreements and arrangements under which the Arcapita Group will provide the indicated services and charge the indicated fees have been, or will be, unilaterally established by the Arcapita Group and are not, and will not be, the result of arm's length negotiations. Further, the price at which interests in the Syndication Vehicles are offered for sale to third party investors are unilaterally established by the Arcapita Group and are generally higher than the price for direct and indirect interests in the Funds paid by the Arcapita Group, or offered to its affiliates or employees or other investment companies sponsored by the Arcapita Group.
- Conflicts of interest may arise between (i) the duties of the Arcapita Group and its employees to the Funds, the Syndication Vehicles and their underlying Investments, and (ii) the interests of the Arcapita Group and its employees, as principals in the Investment. The Arcapita Group employees who will play key roles in managing an Investment may spend a significant portion of their time on matters other than or only tangentially related to the Investment. In particular, such officers and employees will spend substantial time and resources sourcing, monitoring, and disposing of other Arcapita Group investment opportunities. Conflicts of interest may arise in allocating management time, services, or other resources among the Investments and such other investment opportunities. When such conflicts of interest arise, the Arcapita Group will attempt to evaluate and resolve such conflicting interests in a manner that it believes is fair to all affected parties.
- Certain investors in the Funds and the Syndication Vehicles may wish to sell their investments before others, thus creating an additional investment opportunity for the remaining investors. The Funds have been established as single-purpose investment vehicles to hold their respective shares of the underlying Investments. In the event an

investor offers such investor's shareholding(s) in a Fund or Syndication Vehicle to a member of the Arcapita Group, the Arcapita Group may take up some or all of the offered interests for its own account, without obligation to the Funds or the other investors in the Funds or Syndication Vehicles, subject to certain conditions. Notwithstanding the above, the Arcapita Group may, in its sole discretion, bring the investment opportunity described herein to the attention of other investors in the Funds or Syndication Vehicles, who may invest separately, apart from their then existing holding, subject to conditions. The Arcapita Group will charge buyers and sellers of interests in a Fund or Syndication Vehicle a fee equal to a percentage of the transaction value.

- In addition, excess cash held in the Funds, Syndication Vehicles and their underlying Investments may be invested in investment products sponsored, administered, managed, operated or controlled by the Arcapita Group. Conflicts of interest may arise between (i) the duties of the Arcapita Group and its employees to the Funds, Syndication Vehicles and their underlying Investments; and (ii) the interests of the Arcapita Group and its employees, as principals, sponsors, administrators, managers, operators and controllers of such investment products. When such conflicts of interest arise, the Arcapita Group will attempt to evaluate and resolve such conflicting interests in a manner that it believes is fair to all affected parties.
- In the course of sourcing investment opportunities, Arcapita US and the Funds will be required to enter into confidentiality agreements with third party firms that may prohibit the Funds from publicly disclosing sensitive information relating to the third party firm and the Investments. These arrangements could either restrict the information that the Funds are permitted to share with their investors or could possibly result in liabilities for the Funds where an investor that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act ("FOIA") or other similar state or local laws, publicly discloses such information in response to an information request or otherwise.
- If "in-kind" distributions are made to a Fund's investors of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the applicable Fund Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained.
- The investors in the Funds and Syndication Vehicles may include both taxable and tax-exempt entities, as well as persons or entities that are organized in various jurisdictions and that otherwise may have conflicting investment, tax or other interests. The investors may have conflicting investment, tax and other interests with respect to their investments in the Funds and Syndication Vehicles. As a consequence, conflicts of interest will arise in connection with the recommendation made by Arcapita US, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring

investments appropriate for a Fund, Arcapita US will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

- As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Fund or Syndication Vehicle, Arcapita Group, the Fund or the Syndication Vehicle may enter into a "side letter" or similar agreement with such investor pursuant to which Arcapita Group, the Fund or the Syndication Vehicle grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or carried interest, "most favored nation" clauses, preferential access to co-investment opportunities, notice rights upon the occurrence of certain events, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund or Syndication Vehicle, additional representations and warranties from the Fund, Syndication Vehicle and/or the Arcapita Group, modifications to the subscription agreement and other benefits. While the ability of a Fund, Syndication Vehicle or Arcapita Group to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund or Syndication Vehicle, the terms of such "side letters" or similar agreements are generally not disclosed to other investors, unless such investors have separately negotiated for the right to review such agreements.

Any investment in a Fund or Syndication Vehicle is an illiquid long-term investment. No guarantee or representation can be made that a Fund or Syndication Vehicle will achieve its investment objective or that investors will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds and Syndication Vehicles could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents with their professional advisors for full details on each applicable Fund's or Syndication Vehicle's investment, operational and other actual and potential risks.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Neither Arcapita US nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Arcapita US nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

As noted above, Arcapita US is a member of the Arcapita Group, a global group of affiliated financial services companies whose headquarters is based in Bahrain. Arcapita US provides

non-discretionary investment sub-advisory services with respect to private equity and real estate investments located in the US to various Funds and Syndication Vehicles sponsored by the Arcapita Group. Other members of the Arcapita Group provide a variety of other financial services to the Funds and to the underlying Investments, some of which create conflicts of interest. See *“Item 8: Methods of Analysis, Investment Strategies and Risk of Loss”* for more detail.

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

Arcapita US has adopted a code of ethics (the “Code”) that establishes standards of ethical conduct for its employees and sets forth policies and procedures for addressing potential conflicts of interest that may arise between Arcapita US’s personnel and the Funds. The Code is based on the principle that Arcapita US owes a fiduciary duty to its clients and that all of Arcapita US’s personnel must therefore avoid any activities, interests or relationships that might present an actual or potential conflict of interest with Arcapita US’s clients or otherwise interfere with Arcapita US’s ability to make decisions in the best interests of its clients. Among other things, the Code addresses personal trading activities, receipt of gifts and business entertainment, outside business activities and political contributions.

As a general rule, Arcapita US does not buy or sell securities of public companies. However, in the ordinary course of its business, Arcapita US will from time to time come into possession of material non-public information relating to public and private companies. The Code requires Arcapita US to maintain a “Restricted List” of companies in whose securities Arcapita US’s personnel are generally prohibited from trading. The companies on the Restricted List include (i) any Investment held by the Funds, (ii) any public or private company which is actively under consideration as an investment for the Funds, (iii) any public company in which Arcapita US has entered into a non-disclosure, confidentiality or standstill agreement, and (iv) any other public company concerning which Arcapita US may be in a position to receive material non-public information as a result of a special relationship Arcapita US has with such public company. Arcapita US’s investment professionals are required to report all of their personal holdings in securities and personal securities transactions to Arcapita US’s Chief Compliance Officer (“CCO”) on a quarterly basis. In addition, Arcapita US personnel are required to pre-clear any personal securities transaction they may wish to make in securities issued in an initial public offering or private placement and in any securities issued by a company on the Restricted List. In general, personal securities transactions in any company that is on the Restricted List will not be approved in the absence of extraordinary circumstances.

Arcapita US’s personnel are also prohibited from giving or receiving gifts or business entertainment that might call into question the exercise of such person’s ability to exercise independent judgement on behalf of Arcapita US’s clients. Under the Code, gifts and business entertainment that exceed certain thresholds must be pre-cleared with Arcapita US’s CCO. Under the Code, Arcapita US’s personnel are also required to pre-clear any outside business activities they may wish to engage in and any political contributions they may wish to make.

Arcapita US's employees must certify annually that they have read and agree to comply in all respects with the Code and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by the Code.

The paragraphs above only represent a summary of key provisions in the Code. Arcapita US will provide a copy of the entire Code to any client or prospective client (including any investor therein) upon request.

Item 12: Brokerage Practices

Arcapita US's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same manner as they do for trades in public securities. With respect to such private transactions, Arcapita US believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

However, Arcapita US may from time to time purchase or sell publicly-traded securities. In such circumstances, Arcapita US considers all relevant facts and circumstances, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker's execution abilities, commission rates, financial responsibility and responsiveness.

Arcapita US does not maintain relationships with broker-dealers that provide soft-dollar benefits or referral arrangements to Arcapita US.

Item 13: Review of Accounts

Arcapita US monitors each of the Investments it makes on an ongoing and continuous basis.

Generally, as set forth in the Fund Governing Documents and Syndication Vehicle Governing Documents, the investors in the Funds and Syndication Vehicles will receive periodic reports with operational and financial updates on the performance of each Fund's underlying Investment.

Item 14: Client Referrals and Other Compensation

Please refer to "*Item 5: Fees and Compensation*" for a description of the compensation that Arcapita US may receive from the Funds and their underlying Investments.

Item 15: Custody

Arcapita US will conduct all business operations in such a way that client cash and securities, other than privately offered, non-certificated securities, will be preserved in the safekeeping of independent qualified custodians.

With respect to each Fund and Syndication Vehicle, an independent public accountant audits such Fund's and Syndication Vehicle's financial statements annually, and such audited financial statements are distributed to the investors in each such Fund or Syndication Vehicle.

Item 16: Investment Discretion

As noted above, Arcapita US is not authorized to exercise investment discretion over the assets in the Funds.

Item 17: Voting Client Securities

The Funds are primarily invested in privately-held portfolio companies and real estate that do not typically issue proxies. Moreover, Arcapita US does not have discretionary voting powers over the Investments in which the Funds invest. However, in the event proxies have to be voted, Arcapita US may provide recommendations to the Arcapita Group as to how such proxies should be voted. In doing so Arcapita US will recommend voting in such a manner as Arcapita US believes will maximize value for the Funds. In making such recommendations, Arcapita US and its employees seek to avoid any direct or indirect conflict of interest raised by such voting decision.

Item 18: Financial Information

Arcapita US is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its clients. Arcapita US has never been the subject of a bankruptcy petition.